



New River Valley Commerce Park Participation Committee

6580 Valley Center Drive, Suite 124

Radford, VA 24141

Phone (540) 639-1524 FAX (540) 831-6093

Bland County

Lacy (Nick) Asbury

Craig County

Jay Polen

Giles County

Chris McKlarney

Montgomery County

Craig Meadows

Pulaski County

Peter M. Huber

Roanoke County

Doug Chittum

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

DATE: August 3, 2010
TO: NRV Commerce Park Participation Committee
FROM: Joe Morgan
SUBJECT: Wednesday, August 11 Meeting

A meeting of the New River Valley Commerce Park Participation Committee will be held on **Wednesday, August 11**, at the New River Room of the Competitiveness Center in Fairlawn. The meeting will convene at **noon** and lunch featuring BBQ sandwiches will be provided.

A joint meeting with the NRV Economic Development Alliance Prospect Committee will be held at the beginning of the meeting over lunch. At that meeting additional input into the strategic planning for the Commerce Park will be requested, including: *marketing through commercial/industrial realtors; optimum level of infrastructure (rail/electric/broadband); and advantages of site location consultant assistance. Advice on engaging existing businesses on Commerce Park prospective businesses will also be requested.*

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

Agenda

1. Roll Call and Approval of Agenda
2. Public Comment
3. Approval of the May 12, 2010 meeting minutes (*attached pages 2-9*)
4. Administrative Staff Report (*attached pages 10-11*)
 - a) Quarterly Program of Work Update (*attached pages 12-16*)
 - b) Form Designating Virginia's 1st Excess Funds to Commerce Park Water and Sewer Expansion (*attached page 17*)
 - c) Design, Covenants & Communications Committee Formation
5. Old Business
 - a) Update on Water and Sewer Expansion
 - b) Update on Surplus Property Disposition (*attached pages 18-20*)
 - c) Update on Residential Rental Property
 - d) Commercial / Industrial Realtor Marketing Assistance
 - e) Commerce Park Strategic Planning (*attached pages 21-36*)
5. New Business
 - a) Marketing Staff Report
6. Closed Session (if needed)
7. Other Business
8. Adjournment - Next scheduled meeting: Wednesday, November 10, 2010 or in conjunction with a ground breaking ceremony for the water and sewer expansion construction

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Meeting Minutes - May 12, 2010

1) Roll Call and Approval of Agenda

A joint meeting of the New River Valley Commerce Park Participation Committee and New River Valley Economic Development Association Prospect Team was held on Wednesday, May 12 at 12:00 pm at the Competitiveness Center in Radford. Mr. Utt, acting as chairman in the absence of the chair and vice-chair called the meeting to order. Roll call by member jurisdiction was taken and a quorum determined with the following six of the eleven member governments represented: Craig, Montgomery, Pulaski counties, and Dublin, Pearisburg and Pulaski towns. Mr. Brian Townsend, representing the City of Roanoke joined the meeting while it was in progress.

Mr. Morgan added an item to the agenda regarding an inquiry received after the agenda was distributed last week for siting a cell tower on Commerce Park property.

Mr. Utt asked for a motion to approve the agenda.

Motion: Mr. Meadows moved the committee approve the agenda as provided. Mr. Polen seconded the motion.

Action: The motion passed unanimously, with 65.63% in the affirmative, 0.0% opposed, 0.0% abstaining and 34.37% absent (Bland County, Giles County, Roanoke County, City of Radford, City of Roanoke).

2) Public Comment

No public comments were made.

3) Approval of the March 10, 2010 meeting minutes (attached)

Mr. Welker requested a correction in the first item: changing "will be held" to "was."

Motion: Mr. Welker moved the committee approve the minutes with correction note above. Mr. Hamilton seconded the motion.

Action: The motion passed unanimously, with 65.63% in the affirmative, 0.0% opposed, 0.0% abstaining and 34.37% absent (Bland County, Giles County, Roanoke County, City of Radford, City of Roanoke).

4) Administrative Staff Report

a) Participation Agreement Amendment #2 Adoption Status

The Towns of Pearisburg and Pulaski, the City of Radford, plus the Counties of Bland, Giles, Montgomery, Pulaski, and Roanoke have adopted amendment #2. Craig County, City of Roanoke, and the Town of Dublin are yet to adopt. Roanoke City has scheduled consideration for May 17.

Mr. Morgan met with Mr. Polen last month. Mr. Morgan asked about Dublin's status in considering the agreement; Mr. Irvin said he will follow up with Mr. Parker to find out. Mr.

Townsend stated the City of Roanoke Council will be taking up the agreement next Monday. Mr. Morgan was in attendance when the City of Radford council approved the agreement at the meeting the previous Monday night.

The goal is to have all localities adopt the agreement before the July 14 Virginia's First board meeting. The agreement comes into effect with unanimous consent.

b) Mowing Agreement with NRV Airport

A Memorandum of Understanding (MOU) is recommended to document the Airport use of the Commerce Park tractor and mower in return for Commerce Park entrance, roadway, sign area and Mebane house lawn. An example of such an MOU is included in the records of this meeting. Last year the airport provided assistance on an informal basis. Mr. Morgan has also offered to provide the airport with a trailer to transport their smaller riding mower to the Mebane house. Mr. Morgan recommends approval of the draft MOU and approval to acquire trailer. Mr. Utt asked what the anticipated costs for a trailer would be; Mr. Morgan estimated it would be about \$1,500.

Motion: Mr. Irvin moved the committee approve the draft MOU and purchase of a trailer suitable for hauling the mowing equipment. Mr. Polen seconded the motion.

Action: The motion passed unanimously, with 72.3% in the affirmative, 0.0% opposed, 0.0% abstaining and 27.7% absent (Bland County, Giles County, Roanoke County, City of Radford).

5) Old Business

a) Engineering Design Team Update on Water and Sewer Capacity Expansion

The design team reported on options to get construction underway prior to the September 2010 deadline for the Economic Development Administration (EDA) grant. The latest meeting report is included with the records of this meeting. To meet the EDA grant deadline, it may be necessary to forgo Rural Development (RD) financing for the sewer portion of the project. Pulaski County Administrator Pete Huber spoke with Travis Jackson of RD on May 4. Mr. Jackson indicated that RD could approve proceeding to construction without jeopardizing RD funding. If Rural Development for the sewer is not forthcoming, conventional bank financing or cash funding of the estimated \$241,867 sewer portion of the project attributable to the Commerce Park is suggested. An estimate of the sewer only portion of the project, including an example of the bank financing or cash contribution for the sewer portion, is included with the records of this meeting. Changing to bank financing is estimated to increase the current annual debt service pledge of \$55,000 by about \$10,000 per year for the first 20 years of the financing. The debt service pledge would be reduced by about \$10,000 for the last 18 years of the financing. Using cash for the sewer should reduce the debt service pledge about \$10,000 per year for the entire 38-year financing term.

Mr. Di Salvo updated the group on progress to date: seven sets of construction plans have been approved by all agencies needed for clearance; the water Preliminary Engineering Report (PER) was approved by the Virginia Department of Health (VDH) in November; environmental clearances are completed. Tasks remaining include easement paperwork to submit to EDA and securing financing for the local match. Rural Development is reviewing the PER's for the project before reviewing the loan application. The total \$6 million +/- cost of the project may require a

review in the Washington, DC office. It's not clear if the Rural Development financing can be secured before the bid date of July 1. If this isn't possible, the alternative is to remove the sewer portion from the RD loan application and seek alternate financing to get it to bid within the EDA deadline.

Conversations with Rural Development suggest the PER needs to be approved before proceeding with bids. The team is still optimistic about RD funding, but it is not a foregone conclusion. Mr. Morgan suggested a Structuring Plan B: the Commerce Park portion would pay cash using \$300,000 reserve that would be in place by approval of Amendment #2 (this would reduce the debt service pledge money) or seek conventional financing which would be a difference in interest rates -- 5% for conventional versus <3% for Rural Development.

Mr. Utt asked if Rural Development would reimburse the money at closing to recover the reserve; the reserve was assurance to the PSA that the Commerce Park could meet its pledge; use of the cash may be an equivalent assurance to the PSA. Mr. Irvin asked for a summary of the options: use Commerce Park money with no interest, take out a 5% commercial loan, or take out a 3% loan with Rural Development.

Mr. Utt asked if the \$300,000 is what was planned to spend over the next 5 to 6 years. That amount was unanimously approved in concept at a Virginia's First board meeting, to be pledged by individual members for the water/sewer capacity with a debt service of \$55,000 (or \$1.3 million) for Commerce Park shares from the \$600,000 Authority excess funds.

Motion: Mr. Irvin moved the committee authorize staff to exercise the option of alternate financing through use of Commerce Park cash or a loan for the water and sewer project underway. Mr. Townsend seconded the motion.

Action: The motion passed unanimously, with 15.08% in the affirmative, 0.0% opposed, 57.22% abstaining (Montgomery and Pulaski counties), and 27.7% absent (Bland County, Giles County, Roanoke County, City of Radford).

b) New Commerce Park Shares for Water and Sewer Funding Pledge

Pledging new shares in the Commerce Park would give equity for the additional investment in the water and sewer financing. Purchase of a share is calculated at \$40 per share. Equal allocation of the \$300,000 water and sewer reserve would require 7,500 new shares, at 682 shares per member and a cost per member of \$27,273 for each of the 11 Commerce Park Members. Acquiring those shares by the anticipated 2013 start of debt repayment by the Pulaski County Public Service Authority (PCPSA) or the need for cash contribution to the project would be timely.

Confirmation of this additional share approach is requested.

Mr. Utt asked if the cost would be distributed by so many shares at a cost per member or would it be some other distribution; Mr. Morgan suggested this as a way to move to pledging funds. Mr. Townsend asked if participation committee members would be obligated to purchase the shares; Mr. Morgan stated that by making a pledge at \$10,000 per member, additional shares would be given in recognition of a pledge made earlier from their allocation of the Authority's excess funds.

Motion: Mr. Townsend moved the committee approve the granting of additional shares for pledges made in the values proposed by staff. Mr. Huber seconded the motion.

Action: The motion passed unanimously, with 58.76% in the affirmative, 0.0% opposed, 13.54% abstaining (Montgomery County) and 27.7% absent (Bland County, Giles County, Roanoke County, City of Radford). Mr. Hamilton abstained from the vote.

c) Surplus Property Status

i. Lender Response to Boundary Adjustment for New Dublin Presbyterian Church Buffer and Five-Acre Swap with Airport

A letter from RD granting approval of the boundary adjustments is included in the records of this meeting. Stellar One Bank approval has been requested and acknowledged, but there is no response from loan officer Mary Tabor to date. Mr. Morgan anticipates Stellar One approval will allow the boundary adjustments to be implemented. RD is requiring the lease purchase payments from the Church for the buffer to be applied towards the loan.

ii. Mebane House Lots Listing Status

Mr. Morgan has consulted Agent Quinn Thomas of Woltz and Associates regarding a strategy for auction sale of the property, as noted in the e-mail included in the records of this meeting. It may be possible that owner financing, with the proceeds going to the current lenders, would reduce the current debt service payments, allowing for more revenue to fund the water and sewer expansion. An example of application of all or a portion of the surplus property sales/lease proceeds to the current debt service is included in the records of this meeting. Applying sales proceeds to the loan principal only shortens the loans' terms, but does not provide cash flow relief in the next decade. If the lenders are willing to apply the sale or lease proceeds to the current payments, along with retaining "above water" loan status, cash flow savings to offset the water and sewer capacity pledge can be achieved.

Woltz's feedback, provided after the agenda was mailed, asked about timing and suggested acreage around the house may need to be revised to attract interest. Mr. Thomas also suggested pricing the lot in the \$500,000 range versus \$800,000. He also recommended improving the view upon entrance by addressing the cattle handling area and road composition. Mr. Morgan recommended the committee continue the listing and direct staff to do further planning for auction.

Mr. Utt asked if any follow up is needed today. Rural Development would need a certified appraisal within a year of the sale with the appraised value to be paid on the principal. This would not reduce payments, but would shorten the loan period. Mr. Morgan recommended requesting Rural Development allow, if the property is financed or sold, the proceeds be put to current payments to get relief for \$55,000 water/sewer debt service and other obligations (based on the authority's past record with payments and cash account).

Mr. Morgan also recommended action taken on the property to have a more attractive acreage arrangement – i.e., more planning on alternatives (considering timing of an auction) and renewing the listing for a six-month period. Mr. Irvin asked about inquiries to date and where the interest was coming from. Mr. Utt asked if the house has a lien on debt service; Mr. Morgan's understanding is yes, it does. Mr. Hamilton asked if the property is on the Woltz website; and was

advised it is. Mr. Hamilton suggested posting a website of our own with the listing and property photos. Mr. Townsend stated that some websites already exist that cater to the market for this house and offered to provide the link.

Motion: Mr. Irvin moved the committee authorize staff to proceed with renewing the listing with Woltz and plan for alternative means of selling the property. Mr. Townsend seconded the motion.

Action: The motion passed unanimously, with 72.3% in the affirmative, 0.0% opposed, 0.0% abstaining and 27.7% absent (Bland County, Giles County, Roanoke County, City of Radford).

iii. Residential Rental Property Status

A draft notice of lease violation and request for Mr. Ronnie Lester to vacate the double-wide manufactured home he has occupied for several years is included in the records of this meeting. The draft references the amount in arrears. It has been reviewed with the attorney and he suggests moving to vacate the property. The tenant has expressed interest to make payments or labor in exchange. Mr. Morgan recommends proceeding with the attorney's advice. Mr. Crockett has previously expressed interest in renting the double-wide. If he were to take on that lease, the single-wide would be vacated. If Lester would take the single-wide, then the option for site clearing could be completed in lieu of a cash payment.

Mr. Polen asked how notice would be delivered; Mr. Morgan stated it would be delivered by certified mail and a process server.

Motion: Mr. Huber moved staff proceed with vacating the property as advised by the attorney. Mr. Vittum seconded the motion.

Action: The motion passed unanimously, with 72.3% in the affirmative, 0.0% opposed, 0.0% abstaining and 27.7% absent (Bland County, Giles County, Roanoke County, City of Radford).

d) Insurance Procurement

Both VACo Risk Management and VML Insurance Programs submitted proposals for insurance coverage. The coverage was as recommended in the McNeary, Inc., recommendations completed in January. The VACo quote of \$1,663 was lower than the VML quote of \$1,966 and increases coverage over the existing arrangements. Accepting the VACo quote is recommended. Both quotes are significantly lower than the more than \$4,000 recent annual expense with Erie Insurance and VA Risk.

Motion: Mr. Townsend moved the committee accept the VACo quote. Mr. Hamilton seconded the motion.

Action: The motion passed unanimously, with 72.3% in the affirmative, 0.0% opposed, 0.0% abstaining and 27.7% absent (Bland County, Giles County, Roanoke County, City of Radford).

e) Debt Restructuring

Mr. Morgan is consulting with bond counsel for the current debt to determine what taxable status can be expected for a restructuring of the bank financing. Stellar One currently has a floating rate (5% to 10% with floor), a premium rate, and is holding cash for Virginia's First. A tax-exempt financing is not probable.

6. New Business

a) Marketing Staff Report

NRV Economic Development Executive Director Aric Bopp shared that there have been no real inquiries on park in last 6 months. Mr. Williams, visiting the committee with other members of the NRVEDA Prospect Team, asked about a listing to market the property through Thalhimer/Cushman Wakefield resources. Mr. Townsend asked what their commission would be and Mr. Williams advised it is typically 6%. Mr. Hamilton stated Montgomery County paid 5% recently. Mr. Morgan asked if there is any past policy on listings for major property. Pulaski County has previously had an agreement on its speculative shell building. Mr. Huber stated the county-wide policy is to pay for significant work on transactions with realtors, but not approve an exclusive listing. Mr. Williams stated he would want an exclusive listing. Mr. Bopp said some realtors will bring clients to a building even if it is an exclusive listing. To work around exclusivity, someone suggested setting up an annual agreement for flexibility. Mr. Townsend asked if the committee would need an RFP to do a listing; Mr. Morgan said as a public body they would be subject to that requirement. Mr. Townsend notes a listing with a realtor gives access to places where economic development professionals can't get exposure. Mr. Williams noted that any listing agreement less than two years in length would not be attractive to him and possibly other realtors. Mr. Utt asked Mr. Morgan to put an action plan together for the next meeting.

Mr. Bopp advised the committee that VEDP has gone through another restructuring: they have two teams, down from four. Mr. Lemkuhler now has a special role on megasites. Special defense-related initiatives are also of interest to the partnership. Their staff reduction includes one layoff and one retirement.

b) Strategic Planning

Mr. Morgan has been working on project in Emporia and gained some insight on the Tobacco Commission's \$5 million for the Southside megasite. The new administration has an interest in other large sites around the commonwealth. VEDP regulations on eligible megasite competition are due out in July.

7. Closed Session

No closed session was held.

8. Other Business

Mr. Morgan advised the committee of a cell tower inquiry he received. The applicant is considering the site between Ruebush Road and Route 11 (the 55-acre surplus site). Other sites are being evaluated during Special Use Permit process.

Mr. Morgan updated the committee on his progress in assembling the Design Covenants and Communications Committee. The New Dublin Presbyterian Church, with Ms. Janet Flory and

Mr. Richard Ely, as tentative representatives, and Mr. Tom England as neighbor property owner representative, have agreed to participate.

The Authority board will meet on July 14 with an evening start time.

Mr. Morgan proposed future committee meeting be staggered with the NRVEDA Prospect Team meetings in a way that allows those who participate in both to attend both.

9. Adjournment

With no further business to discuss the meeting was adjourned at 2:06 pm on a motion made by Mr. Townsend. The next meeting will be on Wednesday, August 11, 2010 or in conjunction with a ground breaking ceremony for the water and sewer expansion construction.

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director

Shawn Utt, Secretary / Treasurer

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

May 12, 2010
New River Valley Competitiveness Center
Radford, VA

Jurisdiction	Member	Alternate
Bland County	<input type="checkbox"/> John C. Thompson <input type="checkbox"/> Henry M. Blessing	<input type="checkbox"/> Willie Howlett
Craig County	<input checked="" type="checkbox"/> Jay Polen	
Giles County	<input type="checkbox"/> Chris McKlarney	<input type="checkbox"/> Richard McCoy
Montgomery	<input type="checkbox"/> Craig Meadows	<input checked="" type="checkbox"/> Brian Hamilton
Pulaski County	<input checked="" type="checkbox"/> Peter Huber	<input checked="" type="checkbox"/> Shawn Utt
Roanoke County	<input type="checkbox"/> Douglas Chittum	<input type="checkbox"/> Charlotte Moore
City of Radford	<input type="checkbox"/> Bruce Brown	<input type="checkbox"/> Basil Edwards
City of Roanoke	<input checked="" type="checkbox"/> Brian Townsend	<input type="checkbox"/> Court Rosen
Town of Dublin	<input checked="" type="checkbox"/> Doug Irvin	<input 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 checked="" type="checkbox"/> John Hawley

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

Others Present: Aric Bopp, John White, Deborah Flippo, Ken Anderson, Rick DiSalvo, Gary McCollum, Dick Daugherty, Ralph Williams, Dave Shanks, Jim Hager

Staff Present: Joe Morgan, Kevin Byrd, Christy Straight



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Brian Hamilton

Montgomery County

DATE: August 3, 2010

TO: NRV Commerce Park Participation Committee

FROM: Joe Morgan

SUBJECT: Wednesday, August 11, 2010 Meeting Administrative Staff Report

Information and recommendations on the agenda items are:

A joint meeting with the NRV Economic Development Alliance Prospect Committee will be held at the beginning of the meeting over lunch. At that meeting additional input into the strategic planning for the Commerce Park will be requested, including:

- *marketing through commercial/industrial realtors;*
- *optimum level of infrastructure (rail/electric/broadband); and*
- *advantages of site location consultant assistance.*

Advice on engaging existing businesses on Commerce Park prospective businesses will also be requested. The Commerce Park Program of Work includes developing a schedule of calls on major regional employers on 2 year rotation to insure awareness of Commerce Park assets. It may be more practical to work through the member local government existing business programs rather than establish a new visitation program. The existing business involvement should be developed to compliment, but not supplant member local governments' efforts for existing business retention and expansion in the host community.

- 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 comments are expected at this time.
- 3. Approval of the May 12, 2010 meeting minutes (attached)**
- 4. Administrative Staff Report (attached)**
 - **Quarterly Program of Work Update (attached)** I will attempt to answer any questions on the Program of Work progress.
 - **Form Designating Virginia's 1st Excess Funds to Commerce Park Water and Sewer Expansion** – A draft format to allow members wishing to designate Virginia's 1st excess dues for the water and sewer expansion reserve is (attached). The recommended amount for each of the eleven members is \$27,273 for which 682 shares of Commerce Park equity is to be allocated.

- **Design, Covenants & Communications Committee Formation** – The initial meeting of the committee was held on July 13. Members attending were: Janet Flory and Richard Ely (New Dublin Presbyterian Church); Stan Crigger (farm owner); Becky England (representing her husband Tom England - residential owner); Alexis Loutinsky (residential owner); Keith Holt (NRV Airport Manager); and Basil Edwards & Shawn Utt (CPPC Executive Committee). Tom Compton (farm owner) was unable to attend but willing to serve. From these members, the requirements in the Commerce Park protective covenants for four landowners within one-half mile of the Commerce Park and two members of the CPPC have been satisfied.

- **Old Business**

- Update on Water and Sewer Expansion** – The design team can provide an update on bids to be received on Tuesday, August 10 for the first contract (pumping stations in Radford for water and at the Commerce Park for sewer). The design team can also advise of the prospects for full financing by Rural Development and whether use of cash or alternative financing should proceed, as authorized at the May 12 Commerce Park meeting.
- Update on Surplus Property Disposition** – Rural Development (RD) representative Travis Jackson recommends submitting a letter requesting uses for proceeds of surplus property disposition that could be applied to outstanding debt service. Attached is a draft letter for endorsement by the Committee. Mr. Jackson also noted that he understands the pledges from member governments would preclude dire straights that could allow RD to restructure the length of the current financing or waive repayment of a portion of outstanding principal. Also attached is a spreadsheet showing the impact of applying proceeds to principal or debt service.
- Update on Residential Rental Property** – Renter Ronnie Lester has vacated the double wide rental home. We are seeking new renters at a monthly rent of \$500. Mr. Lester agreed to a judgment or other suitable pledge for repayment of his rent and utility payments in arrears. He also completed work at the rental and Mebane house site to offset up to \$1,500 of the total amount in arrears of about \$3,900. We are seeking a new renter by word of mouth. We also plan to seek a renter through the Pulaski County Schools and New River Community College human resources offices.
- Commercial / Industrial Realtor Marketing Assistance** – I plan to have draft scope of services of a Request for Proposals (RFP) for real estate listing services for the Commerce Park marketable sites for review at the August 12 meeting, including: length of listing term; commission percentage; and exclusive/non-exclusive status. The RFP will request the experience of proposing firms with similar properties, as well as industrial / commercial properties in general. Suggestions for firms to receive the RFP are welcome. The discussion at the joint meeting with the NRV Economic Alliance Prospect Committee may be helpful in determining the RFP terms.
- Commerce Park Strategic Planning** – Also as follow up of discussion at the joint meeting with the NRV Economic Alliance Prospect Committee, it will be helpful to have the Executive Committee or an ad hoc committee authorized to approve terms for procuring strategic planning assistance. Attached is the proposal received in 2008 from Leak-Goforth Company, LLC of Raleigh, NC and Bruce Facility Planning Consultants, LLC of Norcross Georgia. Also attached is a Roanoke Times article about a similar study done for Botetourt County’s Greenfield Park.

- New Business**

- Marketing Staff Report**

- Closed Session (if needed)**

- Other Business**

- Adjournment - Next scheduled meeting: Wednesday, November 10, 2010 or in conjunction with a ground breaking ceremony for the water and sewer expansion construction**

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

Adopted 4-08-09 and Updated
7-30-10

<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
<i>Completed Items Shown in Italics</i>			
PARTICIPATION COMMITTEES			
Commerce Park			
<u>GOVERNANCE</u>			
Officers	<i>Officers selected through June 30, 2012</i>	<i>2010-12 Officers Basil Edwards, Chair; Chris McKlarney, Vice Chair; and Shawn Utt, Sec. / Treas.</i>	<i>Completed</i> Straight / Morgan
Executive Committee	<i>Executive Committee on permanent basis established to include officers and 2 at large members</i>	<i>2009 - 2010 Executive Committee Officers plus Jay Polen from Craig and Brian Hamilton from Montgomery</i>	<i>Mar-10</i> Morgan
Executive Director	<i>VA 1st Executive Director to also serve participation committees</i>	<i>Joe Morgan designated as Executive Director</i>	<i>Engaged April 2009 to July 2011</i>
<u>MEMBERSHIP</u>			
	Welcome other member localities to join	Contacts authorized with other local governments	Ongoing Morgan
<u>STRATEGIC PLANNING</u>			
2007 Business Plan Review & Adoption	<i>Review and adopt with updates as appropriate</i>	<i>Adopted with Executive Committee authorized to propose incentives and all member governments to confirm</i>	<i>Adopted May 2009 & in Amendment # 2</i> Morgan
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	Use of consultants deferred until staff review of currently available data better determines structure of planning needed	2009-10 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	2009-10 Morgan
Review of Member Return on Investment	<i>Expand pay back analysis to include broader regional economic impact. 1990's based expectation of high return from machinery & tool taxes may be unrealistic in 2000's</i>	<i>Business Plan anticipates delayed return on investment in coordination with location incentives</i>	<i>2009-10</i> 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	2009 - 10 Morgan
Frequency	Initial 2 year cycle of review and re-adoption	Review again in 3rd quarter 2010	2009-11 Morgan

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

Adopted 4-08-09 and Updated
7-30-10

		<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
		<i>Completed Items Shown in Italics</i>			
PARTICIPATION COMMITTEES					
Commerce Park (Continued)					
<u>FINANCE</u>					
Budgeting	<i>Assign to Executive Director</i>		<i>Completed</i>	2009	Morgan
Revenue Sharing	Pulaski County has offered to share real estate taxes		Acceptance included in proposed Amendment #2 to Participation Agreement	April 2010	Morgan
Debt Restructuring	Water and sewer infrastructure upgrade financing and interest rate changes warrant refinancing consideration		Consider moving to municipal moral obligation status	2010	Morgan
Raising Capital	Seek new capital investment, from both public and private sources		For review in 2010	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 through 8-11-2010, with New Dublin Church buffer reservation, alternatives for more acreage and future auction	Apr-10	Morgan
Surplus Land Disposal	<i>Process 62 acre site for public hearing for either public or private sale, per Code of VA 15.2-1800, to insure public input and notice of availability. Site south east of Rhuebush Road (Rt 617) unlikely to be useful to Commerce Park mission other than rail and electric ROW</i>		<i>Hearing held 7-7-07 and Report submitted to CPPC on 8-12-09 - Findings to be considered in site strategic planning</i>	2010	Straight / Morgan
<u>INVESTORS</u>					
Public Sector	Develop plan for optional additional investment by current or new member localities		For review in 2010	2009-10	Morgan
Private Sector	Develop marketing plan for non-voting shares to finance further site development and infrastructure		For review in 2010	2009-10	Morgan
<u>MARKETING</u>					
Through Local Economic Developers	Expand networking to PDC's 3 and 5		Underway	Ongoing	Morgan
Through Regional Economic Development Entities	Expand networking to Roanoke Regional Partnership (PDC 5) and Virginia's aCorridor (PDC 3)		Underway	Ongoing	Morgan
Through VA Economic Development Partnership	Use VEDP data base to initiate strategic workforce and site strategic planning		Updated VEDP Research and Marketing Leaders twice in 2009 - More update due in 2010 as W&S construction starts and megasites / workforce research completed	2009 - 10	Morgan
Through VA Economic Developers Association	Maintain frequent contact with VEDP leadership - Network through VEDA		Ongoing	Ongoing	Morgan

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

Adopted 4-08-09 and Updated
7-30-10

<u>TASK</u>		<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
		<i>Completed Items Shown in Italics</i>		
PARTICIPATION COMMITTEES				
Commerce Park (Continued)				
<u>MARKETING (Continued)</u>				
Through Existing Businesses	Develop schedule of calls on major regional employers on 2 year rotation to insure awareness of Commerce Park assets	To be scheduled	2009-11	Morgan
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 now listed on VEDP website as a Right Now Site	2010	Morgan
Multiple Site Offerings	Review multiple site layout for compatibility with infrastructure expansion plans and regional site inventory needs as part of strategic planning base information	<i>Lot size availability ranges from 2 to 500+ acres to be confirmed in Participation Agreement Amendment #2</i>	2010	Morgan
Presentation Mapping	Coordinate update with engineering consultants	Updates may be needed to reflect current planning	2009-2010	Morgan
Review of recent prospect information presentations	Use past prospect presentations to develop base for workforce and site strategic planning	<i>Completed</i>	<i>March - May 2009</i>	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	2010	Morgan
SITE MAINTENANCE				
Agricultural / Residential Leases	Renew under current terms due to uncertainty on infrastructure extension, surplus property disposal, Project Neemo siting and multiple site layouts	<i>Current leases to be renewed 1-1-2010 with annual renewal options - Confirmation of residential tenants in-kind services underway - Dalton Farms lease to begin March 2010</i>	2009-2010	Morgan

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

Adopted 4-08-09 and Updated
7-30-10

<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>	
PARTICIPATION COMMITTEE Commerce Park (Continued)				
<u>SITE MAINTENANCE (Continued)</u>				
Mowing	Consider coordinating grounds maintenance with NRV Airport and / or local governments	<i>Memorandum of Understanding entered with NRV Airport in return for use of CPPC tractor/mower, plus supplemental help from renters</i>	2009-2010	Morgan
Signage	Coordinate complimentary signage as park layout develops	New entranced signage installed in 2008	2010- 11	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 assisting for 2009	2009 - 10	Morgan
Environmental Hazards Mitigation	Coordinate with water and sewer extensions	<i>Removed July 2009</i>	2009	Straight
Roadways	Coordinate extensions with all users	Maintenance by VDOT and through agricultural and residential leases	2009 -11	Morgan
<u>SITE DEVELOPMENT</u>				
2009-11 Water & Sewer Capacity Expansion	Archeological and endangered species studies underway by NRV PDC	<i>Completed</i>	2009	Straight
2009-11 Water & Sewer Capacity Expansion	underway by Pulaski Co PSA	<i>Easement acquisition completed</i>	2009 - 10	Ratcliff
2009-11 Water & Sewer Capacity Expansion	Engineering design procurement	<i>Awarded by PCPSA to DAA and Anderson and Associates</i>	2009	Straight
2009-11 Water & Sewer Capacity Expansion	Virginia First / Pulaski County PSA grant agreement documentation	<i>Awarded in March 2009</i>	2009	Straight
2009-11 Water & Sewer Capacity Expansion	Pulaski County PSA / City of Radford water capacity agreement	<i>completed</i>	2010	Morgan
2009-11 Water & Sewer Capacity Expansion	Coordinate Rural Development / Economic Development Administration / Federal Stimulus / Private Financing	<i>Commerce Park to assume customer status pledge of 1/3 debt service as an availability charge</i>	Aug-09	Straight

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

Adopted 4-08-09 and Updated
7-30-10

<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>	
<i>Completed Items Shown in Italics</i>				
PARTICIPATION COMMITTEE Commerce Park (Continued)				
<u>SITE DEVELOPMENT (continued)</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 - 10	Morgan
Access Road(s) Extension	Coordinate funding options with VDOT and private investors	Routing and funding dependent on future tenant needs	2009 - 11	Morgan
Broadband Upgrade / Extensions	Coordinate service through Commerce Park	New River Valley Network Wireless Authority	2009 - 10	Morgan
Boundary Adjustment	Complete swap for site desired by Airport with runway access	<i>Swap site accepted by NRV Airport and approved by CPPC 8-12-2009 with survey and deed preparation completed for final transfer by fall 2010</i>	2009 - 10	Morgan
Protective Covenants	Coordinate updates with strategic planning. Existing covenants may not reflect future development plan	<i>Initiation of Development, Covenants and Communications Committee (DC&CC) authorized 11-19-2009 & first annual meeting held 7-13-10</i>	2009 - 10	Morgan



Virginia's First Regional Industrial Facility Authority

6580 Valley Center Drive, Suite 124

Radford, VA 24141

Phone (540) 639-1524 FAX (540) 831-6093

www.nrvpdc.org/vafirst.html

Bland County

Lacy (Nick) Asbury

Craig County

Jay Polen

Giles County

Chris McKlarney

Richard McCoy

Montgomery County

Mary W. Biggs

Chair

Craig Meadows

Pulaski County

Peter M. Huber

Shawn Utt

Roanoke County

Charlotte Moore

Douglas Chittum

Executive Committee

Wythe County

Bucky Sharitz

Martha P. Umberger

City of Radford

Bruce Brown

Basil Edwards

City of Roanoke

Brian Townsend

Bill Bestpitch

City of Salem

John Givens

Benjamin Tripp

Town of Christiansburg

Randy Wingfield

Barry D. Helms,

Secretary Treasurer

Town of Dublin

Doug Irvin

William H. Parker

Town of Narrows

Clayton Davis

Buddy Kast

Town of Pearisburg

Kenneth F. Vittum

Vice - Chair

Brad Jones

Town of Pulaski

Morgan Welker

John Hawley,

Executive Committee

The following declaration is made on behalf of the respective member government of the Virginia's First Regional Industrial Facility Authority for the allocation of excess dues. Dues in the amount of \$40,000 per member were determined excess at the January 13, 2010 Authority meeting.

Member Government: _____

Authority Board of Directors Member Appointed by Member Government:

In case of inability to attend the January 12, 2011 semi-annual meeting of the Authority, the following certification is made on behalf of the Member Government:

By: _____

Date: _____

Allocation:

New River Valley Commerce Park Water and Sewer Capacity Reserve: \$27,273

Other Economic Development Projects: \$_____

Virginia First Regional Industrial Facility Authority Dues: \$_____

Rebate to Member Locality: \$_____



New River Valley Commerce Park Participation Committee
6580 Valley Center Drive, Suite 124
Radford, VA 24141
Phone (540) 639-1524 FAX (540) 831-6093

August 13, 2010

Bland County

Lacy (Nick) Asbury

Craig County

*Jay Polen

Giles County

*Chris McKlarney
Richard McCoy

Montgomery County

*Craig Meadows
Brian T. Hamilton

Pulaski County

*Peter M. Huber
Shawn Utt

Roanoke County

Charlotte Moore
*Doug Chittum

City of Radford

Tim Cox
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*Brian Townsend
Bill Bestpitch

Town of Dublin

William H. Parker
*Doug Irvin

Town of Pearisburg

*Kenneth F. Vittum
Brad Jones

Town of Pulaski

*Morgan Welker
John Hawley

* denotes primary member
of the Participation
Committee

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

Mr. Travis Jackson
USDA Rural Development Office
100 USDA Drive
Wytheville, VA 24382

Dear Mr. Jackson:

As you suggested in our phone conversation of July 30, please accept this letter as a request that sale of property at the New River Valley Commerce Park be applied to the debt service for the two Rural Development loans and the Rural Development guaranteed loan by Stellar One Bank for the property.

I understand the loan documents allow the current fair market value of portions of the property that are sold to be applied to reduce the outstanding principal of the loans, proportional to the percentage that each loan's principal is to the total outstanding principal. While that approach may be beneficial to the Commerce Park credit worthiness, it will have no impact on the current debt service payments.

A more beneficial use of proceeds from sale of Commerce Park property would be to apply such proceeds to the current debt service payments. Proceeds may be from sale, lease or lease-purchase. So our request would be to apply the proceeds, as received, to the current loan payments due, proportional to the percentage that each loan's principal is to the total outstanding principal.

The Commerce Park has listed for sale surplus property associated with the historic Mebane house, of about 30 acres adjacent to the New Dublin Presbyterian Church site, as well as lease of farm acreage adjacent to the Mebane house to buffer the houses from the industrial zoned property. The property listed for sale contains two manufactured homes, as well as the historic structure. Maintenance of these structures is not within the mission of the Commerce Park. The purpose for sale of this property is two-fold. First is to reduce the property maintenance expense and Mebane house deterioration. Second is to offset the water and sewer capacity expansion charges due from the Commerce Park to the Pulaski County Public Service Authority (PSA). The capacity charges are estimated at \$55,000 per year and will be equal to about one third of the debt service that the PSA incurs to finance the three million gallons per day water and sewer capacity increase, of which one million gallons per day is to be reserved for the Commerce Park. Sale of this property will reduce the cost to maintain the Commerce Park site, channel sale proceeds to utility improvements that will enhance the value of the site and strengthen the creditworthiness of the outstanding loans for the Commerce Park.

Planning is also underway to evaluate other Commerce Park property that may be declared surplus. The primary acreage under consideration is that south east of Rhuebush Road. The acreage is in excess of 50 acres. Other than right of way for future rail and electric transmission lines, the acreage does not compliment the Commerce Park development.

It is also expected that when an industry locates in the Commerce Park the sale, lease or lease-purchase proceeds will be needed to offset the current debt service.

In the past, the Commerce Park Participation Committee members understood that Rural Development would accept a lot release amount of \$7,500 per acre when property is sold. I submit that the application of sale, lease or lease-purchase proceeds to current debt service is a more practical and equitable approach.

As you pointed out in our recent phone conversation, the eleven Commerce Park Participation Committee member governments have pledged payment of the outstanding loans, which provides excellent loan surety. In the current real estate market, the value of the Commerce Park real estate is fluctuating and provides far less surety than the member government pledges. So the requested use of real estate sale proceeds should be beneficial to both the lenders and borrower.

Attached is a spreadsheet that provides some scenarios of the impact of application of proceeds to outstanding principal and current debt service

I understand you will submit this request for application of sale, lease or lease purchase proceeds to current debt service to the appropriate Rural Development officials that can approve our request. Thanking you for all your assistance to the Commerce Park project, I am

Sincerely,

Joseph N. (Joe) Morgan,
Executive Director

Example of Application of All or a Portion of the Commerce Park Surplus Property Sales / Lease Proceeds to the Current Debt Service

<u>Lender</u>	<u>Original Principal</u>	<u>Latest Principal Balance</u>	<u>Annual Interest Rate</u>	<u>Current Annual Payment</u>	<u>Current Monthly Payment</u>	<u>Term in Years</u>	<u>First Payment Date</u>	<u>Last Payment Date</u>
Rural Development								
2002 Revenue Bond	\$ 2,083,500	\$ 1,971,008	4.75%	\$ 119,448		38	3/19/2005	3/19/2024
2005 Revenue Bond	\$ 2,300,000	\$ 2,218,409	4.38%	\$ 123,096	\$ 10,258	38	4/2/2006	5/2/2045
<u>Stellar One</u>	\$ 1,376,831	\$ 1,121,072	5.00%	\$ 113,962		22	2/1/2003	2/1/2024
Total Current Debt	\$ 5,760,331	\$ 5,310,489		\$ 356,506				

<u>Appraised Value</u>	<u>Acreage</u>	<u>Basis</u>	<u>Value</u>	<u>Value Per Acre</u>	<u>Estimated Minimum Auction Sale</u>	<u>Potential Lease / Purchase Financed Rate</u>	<u>Term in Years</u>	<u>Annual Lease / Purchase Revenue</u>
Core Commerce Park	839	MAI 2009	\$ 5,200,000	\$ 6,198				
35 Surplus Acres:			\$ 662,500					
Church Buffer	4	County Tax			18000	3.75%	20	(\$1,281)
Balance of Area	31	Assessment		\$ 21,371	\$ 500,000	5.00%	20	(\$39,597)
55 Surplus Acres	55		\$ 330,600	\$ 6,011	\$ 150,000	5.00%	20	(\$11,879)
					\$ 650,000			(\$52,757)

Application of Sales Proceeds (Except Church Buffer) to Reduce Outstanding Principal

<u>Loan:</u>	<u>% of Principal</u>	<u>Reduced Principal</u>	<u>Annual Interest Rate</u>	<u>Current Annual Payment</u>	<u>Years Remaining on Loans</u>	<u>Last Payment Year</u>
Rural Development						
2002 Revenue Bond	37%	\$ 1,732,298	4.75%	\$ 119,448	25	2036
2005 Revenue Bond	41%	\$ 1,949,737	4.38%	\$ 123,096	28	2039
<u>Stellar One</u>	22%	\$ 978,454	5.00%	\$ 113,962	11	2022
Total Current Debt	100%	\$ 4,660,489		\$ 356,506	12 to 29	2039

Application of Lease Proceeds from 35 Acres Toward Loan Payments and Retain 55 Acres

<u>Estimated Appraised Value of Retained Lands</u>	<u>Loan:</u>	<u>Current Annual Payment</u>	<u>% of Principal</u>	<u>Application of Lease Proceeds to Loan Payments</u>	<u>New Debt Service Pledge for Water and Sewer</u>	<u>New Debt Service Pledge for Sewer Only</u>
Core Commerce Park	<u>Rural Development</u>					
55 Surplus Acres	2002 Revenue Bond	\$ 119,448	37%	\$ 15,012		
Total Collateral	2005 Revenue Bond	\$ 123,096	41%	\$ 16,897		
<u>Loans' Principal</u>						
2002 RD Rev Bond	<u>Stellar One</u>	\$ 113,962	22%	\$ 8,969		
2005 RD Rev Bond						
Stellar One	Total Current Debt	\$ 356,506	100%	\$ 40,878	\$ 55,572	\$ 45,233
Total Principal		\$ 5,310,489				

*Proposal to the
New River Valley Economic Development Alliance
for a
Strategic Development Plan for the New River Valley
Commerce Park, Pulaski, Virginia*

November 5, 2008

*Submitted by
Leak-Goforth Co, LLC
Raleigh, NC and Jacksonville, FL
And
Bruce Facility Planning Consultants, LLC
Nocross, GA*

Proposal Contents

	Letter of Transmittal	
Section 1.	Proposed Approach to the Project	1-1
Section 2.	Scope of Services	2-1
Section 3.	Project Team Development and Schedule	3-1
Section 4.	Compensation	4-1
Appendix	Participant Qualifications	Appendix 1 and 2

November 10, 2008

Mr. Shawn Utt
Community Development Director
County of Pulaski
143 Third Street, NW Ste. 1
Palaski, VA 24301

Dear Shawn,

Enclosed please find our proposal to provide an in-depth evaluation of the New River Valley Commerce Park as requested by the Board of the New River Valley Economic Development Alliance. The Leak-Goforth Company with offices in Raleigh, NC and Jacksonville, FL is a leading site location consulting firm having assisted such international companies as Texas Instruments, Micron Technologies, Hyundai Electronics, ZF Lemforder, Majestic Sportswear, Eastern Chemicals, C&F Foods and many others. The firm is also engaged in assisting communities in their efforts to improve the competitive climate for the attraction of desirable business and industry.

Leak-Goforth is joined in this proposal by Bruce Facility Planning Consultants of Norcross, GA whose principal, Jim Bruce, has many years of experience siting major companies throughout America and beyond. We believe the combination of talents and experience offered by Bob Leak, Bob Goforth and Jim Bruce will be important in repositioning the Commerce Park for future economic development success. The consulting team is also skilled at developing marketing strategies that will resonate with businesses seeking optimum locations for their facilities. One possible industry for the Commerce Park could be the polysilicon wafer and chip business as it strives to keep up with the burgeoning demand for solar chips and panels.

We would be proud to represent the New River Valley Economic Development Alliance in this important undertaking.

Sincerely for the Team,

Robert E. Leak, CEcD
Leak-Goforth Co., Partner

Section 1
Proposed Approach to the Project

1. Proposed Approach to the Project

BACKGROUND

In the mid 1990's the New River Valley Economic Development Alliance—comprised of the Counties of Floyd, Giles, Montgomery, and Pulaski and the city of Radford, Virginia—obtained a substantial parcel of land, nearly 1,000 acres, adjacent to the New River Valley general aviation airport and the city of Pulaski. At that time, it was expected that the fast-growing semiconductor wafer fabrication industry or related microelectronics cluster of businesses might be attracted to this New River Valley Commerce Park.

The park is exceptionally well located in proximity to Virginia's leading technical university, Virginia Tech, as well as Radford University and the New River Community College. Excellent access is provided to the site by Interstate Highway 81, located within 3.5 miles. Interstate 64 is a reasonable distance to the North and Interstate 77 is nearby to the South.

In spite of these favorable location attributes and the Alliance and Commonwealth's efforts at attracting the semiconductor industry, a major downturn occurred in the microelectronics industry in the United States due in part to off-shoring as well as over production. As a consequence, the New River Valley Commerce Park has not received the hoped for investment and job creation in the high tech industrial sector.

Perhaps the time has come for the development of a new economic development strategy regarding the planning and management of the Commerce Park and the effective marketing of the property. Other uses for this attractive site can be determined with the proper evaluation of the strengths the New River Valley offers to a wide variety of businesses and industries.

The team of Bruce Facility Planning Consultants, LLC (BFPC) and the Leak-Goforth Company, LLC (L-G) are capable and desirous of providing the professional economic development services to the New River Valley Economic Development Alliance in conducting a thorough investigation of the physical site and the economic and demographic conditions of the New River Valley Region. This effort will lead to specific recommendations on how to best position the site and how to successfully market the property. From conversations we have had with several economic developers involved with the New River Alliance we believe there is a high level of interest in having a team of skilled plant location consultants help devise a plan of action and a path forward for the development of the New River Commerce Park.

The semiconductor industry may still be a viable target for the site but it is important to look realistically at opportunities for other uses. BFPC and L-G have experience to conduct a study that will lead to favorable results. We will strongly consider the polysilicon industry as it relates to the production of wafers and chips for the fast growing solar industry.

Section 2
Scope of Services

2. Scope of Services

The team is aware that much study and effort have been expended in offering the site to the semiconductor industry. However, changes in the industry have diminished the near to medium term possibilities of the site being occupied by a microelectronics company. There is broad interest on the part of the alliance's economic development people to pursue other viable opportunities for the site's development. What is needed is a clear direction as to the types of businesses that should be targeted and the most effective means of reaching that audience.

With this interest in mind we propose the following services:

- Determination as to the potential of the site as a semiconductor location, or polysilicon wafers and chips used in the solar industry.
- Identify and assess specific site and community factors, which would affect potential industrial/business uses, including site size, location, development potential, road and utility infrastructure and relationship to other land uses. For the region, we would evaluate labor, taxes, location, community attitudes, and livability, among other items.
- Identify and assess types of industries/ businesses for which Southwestern Virginia and the New River Valley have proven to be competitive or have realistic prospects.
- Identify the types of industries/ businesses for which the site is or can be made competitive and assess their comparative feasibility based on a combination of factors, including their presence in similar locations and site and infrastructure requirements in relation to the site.
- Recommend a strategy and timeline for attracting the most promising industries/ businesses favored by the site and community leaders, including types of site improvements, if needed, and types of marketing to be undertaken by the community.
- Prepare and present a report detailing the site and marketing assessments and recommended strategy for going forward.

Section 3
Project Team Involvement and Schedule

3. Project Team Involvement and Schedule

The investigative team will be composed of three senior professional economic development consultants- Jim Bruce, principal of BFPC with offices in Norcross, Georgia, Bob Leak, partner of L-G in Raleigh, North Carolina, and Bob Goforth, partner of L-G in Jacksonville, Florida.

The team could begin the study immediately and produce a report in 90-120 days. We would intend to stay in close contact with the New River Valley Economic Developers with every step of the process. Bob Leak will serve the team as project manager.

Section 4
Compensation

4. Compensation

Fees for services shall be \$28,000 plus reasonable expenses of travel, maps as needed, clerical, graphics and printing. We estimate that the expenses will not exceed 18% of the contract amount or approximately \$5,000. We request an advance payment of 25% of the fee or \$7,000 upon execution of an agreement and three payments of \$7,000 as the study progresses to completion. We would invoice for expenses on a monthly basis.

If additional work is indicated by our study such as a conceptual master plan of the Commerce Park we would recommend how to obtain such a plan but the fee would be paid to the service provider. In addition, if it is recommended that a list of prospective companies for recruitment be obtained by the Alliance from a qualified vendor, the cost of obtaining such a list will be negotiated and paid directly to the provider.

Appendix

*Bruce Facility Planning Consultants, LLC
Qualifications*

*Leak-Goforth Co, LLC
Qualifications*

PARTICIPANT OVERVIEW

The following outlines the background and capabilities of the participating companies.

Leak-Goforth Company, LLC is among the most prominent site location and economic consulting firms in the US. Established in 1995 in Raleigh, the firm has conducted projects worldwide. L-G is especially active in siting wafer fabrication and chip manufacturing plants. Both Leak and Goforth are former North Carolina state directors of economic development. Bob Leak also served as state director in South Carolina and as President of Research Triangle Foundation, developer of the renowned Research Triangle Park.

Bob Leak is a graduate of Duke University and has a master's degree in geology from the University of Tennessee. He has served as President of the American Economic Development Council and the National Association of State Development Agencies.

Bob Goforth is a graduate of the University of North Carolina at Chapel Hill and has completed executive programs at UNC and Clemson University. For 17 years, he was Vice President of J.E. Serrine Company, Greenville, SC and conducted numerous site selection and other consulting projects.

The Leak-Goforth Company and BFPC have extensive experience working with each other for clients such as the Virginia Tobacco Commission, a major electric utility, the US Energy Department, and others.

BFPC specializes in providing management and economic consultation in the areas of planning new business facilities and other large capital investments. The firm's staff has conducted over 300 consulting assignments, in every US state, half the provinces and states of Canada and Mexico, and 12 other nations.

Jim Bruce will assist Bob Leak as project manager for the assignment. He has served as the project manager for multiple site selection projects in Virginia including the 1978 location of AT&T in Pulaski (since closed) and an office project in Manassas. In the early 1990's, he worked on behalf of Volvo Truck to analyze its production operations in Dublin, concluding with a recommendation to do a major rebuild of the existing plant rather than relocate it.

His economic development consultation projects in Virginia include assignments for Halifax County/ South Boston, Pittsylvania County, and the Virginia Tobacco Commission. His most recent site selection project in the Commonwealth was a confidential study for a new manufacturing plant for a US client, for which he studied several communities in the central and western parts of the state (on hold, due to the client having been acquired by a new owner).

Jim has been a consultant to site selection projects such as:

- Toyota's first US assembly plant, which located in Georgetown, Kentucky;
- the United Airlines maintenance base which chose Indianapolis;
- the National Wind Tunnel Complex, a joint venture of NASA, Boeing, Lockheed Martin, and other major US aerospace companies;
- the Mallinckrodt vaccines plant in Raleigh;
- the Amgen/BioNext Plant in West Greenwich, Rhode Island; and
- a new truck assembly plant by Navistar/ International in Escobedo, Nuevo Leon, Mexico, which has recently been expanded to accommodate the new "Blue Diamond" joint Venture with Ford.

Jim completed his undergraduate work at Emory University and has an MPA from Harvard University. He has taught at the IEDC Economic Development Course at Georgia Tech as well as Princeton, Carnegie-Mellon, West Point, and other schools; and has been a speaker at many seminars.

Saturday, June 26, 2010

Report: Botetourt needs to do more

Despite more than \$10 million spent, the county has seen little growth at Greenfield.

By [Rex Bowman](#)

777-3523

Botetourt County officials are not doing enough to bring businesses to the Center at Greenfield, despite spending millions on the Daleville industrial site, a newly released report suggests.

The economic development report by Moran, Stahl & Boyer, a Florida-based consulting firm, recommends that the county put more effort and money into the languishing industrial site, where about 400 acres of developable land remains unused despite years of marketing.

The board of supervisors plans to review the recommendations July 27. The county commissioned the report at a cost of \$50,000.

Supervisor Terry Austin said the report tells him the county isn't as prepared as it thought it was to react quickly to the needs of manufacturers looking for a place to build.

"Everything is so fast-tracked today," Austin said. "Our intent was to have a site-ready industrial park, which we thought was open space with utilities close by. But today, what is site-ready is a pad with a design plan for the building."

The report recommends the county prepare a foundation capable of accommodating a 50,000-square-foot building at the park; design the building; and, with the help of a developer, construct a multiple-tenant office building at Greenfield.

Since buying the Greenfield site in 1995, the county has spent \$4.5 million on land, \$2.2 million on roads, \$2.7 million on utilities and \$924,000 in incentives to attract businesses to the park. Yet despite the more than \$10.3 million spent, today the industrial park has just one tenant, Altec Industries. (Another tenant, Jtekt Automotive, closed last year, leaving behind a 250,000-square-foot building.)

From fiscal year 2000 through fiscal year 2008, the park has generated \$3.3 million in tax revenues, according to a study released last year.

County Administrator Jerry Burgess said he concurs with the report's conclusion that the county needs to do more to make it faster and cheaper for businesses to move into Greenfield. Simply making land available, he said, is no longer enough.

"When I started in this business, the old saying was if you had a cornfield, you were good to go," Burgess said. "Now, the next thing is, especially in this part of the world, you've got to be pad-ready."

Burgess said even though no major manufacturer has moved to Botetourt since the terrorist attacks of Sept. 11, 2001, the county has seen 10 business expansions involving \$139 million in investments and 567 new jobs.

The economic success outside the industrial park, Burgess said, doesn't mean the county should give up on Greenfield and focus its efforts elsewhere.

"Absolutely not," he said. "This needs to be a broad effort. The goal is to have a diversified economy."

THE ROANOKE TIMES
roanoke.com

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