



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

John C. Thompson
or
Henry M. Blessing

Craig County

Jay Polen

Giles County

Chris McKlarney

Montgomery County

Carol Edmonds

Pulaski County

Peter M. Huber

Roanoke County

Doug Chittum

City of Radford

Bruce Brown

City of Roanoke

Brian Townsend

Town of Dublin

Doug Irvin

Town of Pearisburg

Kenneth F. Vittum

Town of Pulaski

Morgan Welker

Executive Committee:

Chris McKlarney, Chair
Giles County
Basil Edwards, Vice-Chair
City of Radford
Shawn Utt,
Secretary-Treasurer
Pulaski County
Jay Polen
Craig County
Brian Hamilton
Montgomery County

DATE: November 12, 2009
TO: NRV Commerce Park Participation Committee
FROM: Joe Morgan
SUBJECT: November 19 Meeting Agenda

A meeting of the New River Valley Commerce Park Participation Committee will be held on Thursday, November 19 at noon at the Competitiveness Center, 6580 Valley Center Drive. A barbecue buffet luncheon will be provided by Radford University catering.

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

- 1. Roll Call and Approval of Agenda**
- 2. Public Comment**
- 3. Approval of the August 12, 2009 meeting minutes (attached)**
- 4. Financial Report (attached)**
- 5. Administrative Staff Report (attached)**
 - a) Program of Work Quarterly Review (attached)**
 - b) Participation Agreement Amendment (attached)**
 - c) Surplus Property Status**
 - i. Mebane House Lots Listing Status**
 - ii. Initiation of Development, Covenants and Communications Committee (DC&CC)**
 - iii. Residential Rental Property Status**
 - d) MAI Appraisal Results (attached)**
 - e) Insurance Review (attached)**
- 6. Old Business**
 - a) Project NEEMO**
 - i. Option for Siting at Commerce Park (attached)**
 - ii. Participation Agreement Components (attached)**
 - b) Engineering Update (attached)**
 - c) Agricultural / Residential Lease Renewals**
- 7. New Business**
 - a) Marketing Staff Report**
 - b) RAAP New River Works (Dublin) Rail Transfer Study by ATK**
 - c) Megasites Competition**
 - d) Workforce Characteristics**
- 8. Closed Session**
- 9. Other Business**
- 10. Adjournment - Next suggested scheduled meeting: Wednesday, March 10, 2010,**

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Meeting Minutes
August 12, 2009

1. Roll Call and Approval of Agenda

The meeting was convened at 4:30 p.m. and held at the L. Brinkley Eure Educational Building, Pulaski Community Hospital, 2400 Lee Highway in the Town of Pulaski. Chairman McKlarney opened the meeting. Roll call was taken and a quorum determined (see attached). A motion was made for approval of the agenda.

Motion: Mr. Vittum moved the committee approve the agenda. Mr. Townsend seconded the motion.

Action: The motion carried unanimously.

2. Welcome of New Attendees

Mr. McKlarney introduced Mr. Craig Meadows, newly appointed Montgomery County administrator. Mr. McKlarney also welcomed Ms. Carol Hall, deputy county administrator and Mr. Willie Howlett, county administrator for Bland County. Mr. Howlett is serving as the alternate for the Bland County appointees to both Virginia's First Authority and the Participation Committee.

3. Public Comment

No public comments were made.

4. Approval of the May 13, 2009 meeting minutes

Motion: Mr. Howlett moved approval of the May 13, 2009 meeting minutes. Mr. Edwards seconded the motion.

Action: The motion carried unanimously.

5. Financial Report

Unless objection is heard, the report may be moved to quarterly (July, October, January and April). Mr. Morgan reviewed the Treasurer's Reports for August 2009, a copy of which is filed with the records of this meeting. The accounts payable include AEP; Anderson & Associates; Guynn, Memmer & Dillon; Joe Morgan, NRV Development Corporation; NRVPDC; and The Southwest Times.

Motion: Mr. Huber moved the committee authorize payment of accounts payable as presented. Mr. Vittum seconded the motion.

Action: The motion carried unanimously.

Motion: Mr. Howlett moved the committee accept the August 2009 treasurer's report. Mr. Townsend seconded the motion.

Action: The motion carried unanimously.

6. Administrative Staff Report

A copy of the staff report and related attachments is filed with the records of this meeting.

a. The Program of Work Quarterly Review:

The review was provided to the committee. There were no questions on the status. A copy is filed with the records of this meeting.

b. Participation Agreement Amendment

Amendment of the Commerce Park Participation Agreement was proposed in four areas: Project Scope; Voting Majority; Plan of Finance; and Revenue Sharing. A copy of the proposals is filed with the records of this meeting. It included an explanation of the current status and suggested changes in each area. Most of the changes reflect current approved plans. Items needing clarification in the four areas are:

1. Project Scope:

There is a need to add items included in the Program of Work adopted in 2009, for which implementation may occur as project financing is identified;

- Items 7 through 14 have been adopted, but not included in the Project Scope;
- Items 15 through 21 are listed for consideration to be included in the Project Scope.

During discussion, it was noted that the draft addendum will be circulated to local governments, once a recommended version is determined. Mr. Townsend expressed concern about including the nanotechnology park initiative as this is still an outstanding issue. Mr. Morgan noted that project will be discussed later in the meeting and the Project Scope should reflect the acknowledgement of the nanotechnology initiative as it develops. Mr. Townsend expressed his preference that items 15 through 21 be addressed for their feasibility rather than committing to doing them. Further discussion by the committee raised the suggestion to use “planning objectives” in the heading for items 15 through 21 as a statement of goals rather than endorsing action.

Motion: Mr. Hawley moved the committee adopt the proposed scope for planning purposes. Mr. Huber seconded the motion.

Action: The motion carried unanimously. The approved Project Scope for submission to Commerce Park participation member governments is shown on the following pages.

NRV Commerce Park Scope Confirmation by Member Governments

From October 14, 1999 Original Participation Agreement

- 1 Acquire 326 Acres of Land Adjacent to NRV Airport
- 2 Acquire Easements for Access, Water Supply, and Waste Water Disposal
- 3 Continue Options for 739 Additional Acres for 5 Years
- 4 Construct 1 Mile of 4 Lane Divided Access Road
- 5 Grade 40 acre Demonstration Building Pad, Capable of Increase to 150 Acres, with Demonstration of Additional Pad of Up To 200 Acres
- 6 Engineer Plans for Up To 6 Million Gallons Per Day Water and Sewer

To Reflect Current Status

- 7 Land Ownership as of 2009:

<u>Tax Map Parcel</u>	<u>Acres from Tax Map</u>	<u>From:</u>
a 036-005-0000-0003	411.981	Evans-Collins Estate, Doug Cullop and IDA of Pulaski County
b 047-048-0000-0004	36.52	Doug Cullop and Andy & Becky Cullop
c 047-048-0000-0010	65.222	Cullops and Evans/Collins in buffer zone
d 036-003-0000-0005		⁵ NRV Airport Commission for entrance road
e 036-003-0000-0006		⁵ Pledged for transfer to NRV Airport Commission
f 036-005-0000-0003	340.898	Edwina Dalton Phillips purchase
g 037-001-0000-0021	55.102	Edwina Dalton Phillips donation
Total Acreage	919.723	From Tax Map
Developable Acreage	657.5	From May 2004 Master Plan

- 8 Wastewater Capacity Reservation and Cost Recovery Agreement of November 3, 2005 for 24 " Sewer Gravity Main Crossing Shelor Race Complex
- 9 Project Based Financing Pursuant to August 8, 2001 VA's 1st Member Agreement
- 10 Transfer of 5 Acres to NRV Airport Commission in return for 5 Acre Entrance Road
- 11 Surplus Property Sale of 36.532 Acres Zoned A-1 including former Mebane House
- 12 Reservation of 1 Million Gallons Per Day Water and Sewer Capacity from Pulaski County Public Service Authority, along with customer pledge to pay 1/3 of PSA Debt Service for related 3 MGD system water and sewer expansion
- 13 Confirmation of Commerce Park Business Plan adopted May 13, 2009
- 14 Marketing and Development of Both Large Lots and Smaller Infill Lots, as Provided by the Pulaski County Zoning Ordinance Planned Industrial District Zone

NRV Commerce Park Scope Confirmation by Member Governments

To Acknowledge Regional Planning Objectives Pending Project Based Financing

- 15 Extension of Rail Service to Commerce Park Sites
- 16 Extension of Electric Transmission Line and Substation to Commerce Park Sites, including Implementation of American Electric Power Plan of 2008
- 17 Extension of Telecommunications Infrastructure to Serve Commerce Park Sites
- 18 Extension of VDOT roadways to serve Commerce Park Sites and along border with NRV Airport for transportation thoroughfare
- 19 Disposition of additional land that may be declared surplus, including land southeast of Rhuebush Road and along the southern Commerce Park border in excess of the required 300 feet wide greenspace buffer
- 20 Host for Proposed Virginia's Nanotechnology Park
- 21 Additional Projects Based Financing Pursuant to August 8, 2001 VA's 1st Member Agreement

2. Voting Majority:

Mr. Morgan asked for direction on which of the following voting majority clarifications to include in the proposed amended agreement:

- Determination of Commerce Park Participation Committee meeting quorum by majority of voting shares or majority of participants;
- Requiring super-majority for land sale (either to industries or surplus property);
- Requiring super majority for award of incentives based on real estate/business personal property taxes;
- Determining the number of participants or shares in a super-majority; and
- Determining the use of a majority or super majority for allocation of VA 1st assets;

The committee discussed the voting options; consideration of whether property disposal is for surplus or a prospect sale; what constitutes a committee quorum; and, using majority of shares or members.

Motion: Mr. Hamilton moved the committee recommend an amended participation agreement included the following two points:

- The Participation Committee may not lease, sell, encumber, transfer or dispose of any real or personal property comprising of the Project or authorize the Authority to do the same without an affirmative vote of both a majority of the shares entitled to vote and an affirmative vote of two-thirds of the Participants; and
- The Participants agree that the business personal property and real estate taxes allowed for revenue sharing by Pulaski County that would be generated in the first seven (7) years of a new business locating in the Commerce Park may be offered by the Participants as incentive to locate industry to the New River Valley Commerce Park upon an affirmative vote of both a majority of the shares entitled to vote and an affirmative vote of two-thirds of the Participants..

Action: The motion failed for lack of a second.

Motion: Mr. Townsend moved the committee propose to amend the agreement to allow a two-thirds majority of votes in attendance for action on all matters. Mr. Chittum seconded the motion.

Action: The motion failed with 36.42% in the affirmative, 63.58% opposed, 0% abstaining and 0% absent, as noted on the following roll call vote:

Locality	CP PC Representative	Yes	No
Bland County	Willie Howlett (alt)	1.43%	
Craig County	Jay Polen	1.42%	
Giles County	Chris McKlarney		13.54%
Montgomery County	Brian Hamilton	13.54%	
Pulaski County	Peter Huber		43.68%
Roanoke County	Doug Chittum	7.09	

Locality	CP PC Representative	Yes	No
City of Radford	Basil Edwards (alt)		5.64
City of Roanoke	Brian Townsend	6.67	
Town of Dublin	Doug Irvin		0.72%
Town of Pearisburg	Ken Vittum	1.43%	
Town of Pulaski	John Hawley (alt)	4.85%	
Total NRV CP shares voted		36.42%	63.58%

The committee determined further consideration will be given to determining whether and/or how to amend the voting majority and instructed Mr. Morgan to work with the Executive Committee on a proposal.

3. Plan of Finance: Use of VA 1st surplus funds and debt refinancing:

The use of surplus VA's 1st Authority dues money upon unanimous consent of all member jurisdictions of the Authority authorizing the use of the surplus dues was supported by consensus. When deemed advantageous, the Commerce Park Participation Committee undertaking changes in debt financing, such as refunding of bonds, or procurement of new commercial bank financing, as also supported by consensus.

4. Revenue Sharing: Super majority approval of incentives:

The determination of incentives, whether by application of the business plan or by action of the authority on a case by case basis, is also a matter for which determination of the appropriate quorum and voting majority is required.

c. Allocation of VA 1st Surplus

Of the \$40,000 per participant estimated surplus VA 1st funds, as well as other surplus that may accrue, allocation of \$300,000 to provide a 5-year debt service reserve for the 1 million gallon per day (MGD) water and sewer expansion is recommended. The reserve can be reduced as other funding sources (surplus land sales, water and sewer surcharge, etc.) are available.

Motion: Mr. Townsend moved the committee request the Virginia's First board allocate \$300,000 in surplus Virginia's First funds to provide a 5-year debt service reserve for the water and sewer project. Mr. Huber seconded the motion.

Action: The motion carried unanimously.

d. Customer Status Pledge for 1 MGD Water and Sewer

Adoption of the terms of customer status was requested. A copy of the terms is filed with the records of this meeting. Also requested was authorization to enter the customer agreement once the agreement form is completed to the satisfaction of the Pulaski County Public Service Authority and VA 1st legal counsel. Mr. Huber described the customer status arrangement as a minimum fee for committed capacity, equivalent to the Commerce Park's share of debt service, until the Commerce Park and its tenants begin using the water as a customer. Debt is estimated at

\$55,000; Mr. Hamilton asked if a limit can be put on that amount and require further action from the committee should additional funds be required for the debt service.

Motion: Mr. Hamilton moved the committee accept the customer status pledge for 1 million gallon per day (MGD) water and sewer capacity with the condition that further action from the committee will be required should additional funds beyond the estimated \$55,000 be required for the debt service. Mr. Chittum seconded the motion.

Action: The motion passed without opposition, with 56.32% in the affirmative, 0% opposed, 43.68% abstaining and 0% absent. Mr. Huber abstained on behalf of Pulaski County since he is Executive Director of the Pulaski County Public Service Authority.

e. Ratification of Water and Sewer Tank, Pump Stations, Appurtenances Sites and Line Easements

Transfer of easements and tank or pump station sites was authorized at the May 13 Participation Committee meeting. Ratification of those transfers, as well as approval of other transfers as required by the PSA legal counsel and lenders is requested.

Motion: Mr. Edwards moved the committee ratify the transfer of easements and tank sites. Mr. Howlett seconded the motion.

Action: The motion carried unanimously.

f. Surplus Property Status

i. Mebane House Lots Listing Status

The current listing expires in September. Renewal of the listing is recommended, pending an update from the listing real estate agent and review of options. Such review and update is suggested for closed session. Details regarding this item will be disclosed during a closed session.

ii. Report from July 7 Public Hearing

Attendees were Mr. and Mrs. Tom England; Mr. Tom Compton; Mr. Council Compton; Ms. Alexis Loutinski; and Ms. Jena Hardy of The Southwest Times. Staff members present were Christy Straight, Regional Planner, and Joe Morgan. Concerns voiced were:

- Adequate buffering of residential areas should surplus land be sold;
- Impact of rail, water, sewer and electric transmission infrastructure installation on existing residences and businesses;
- Accommodation of any new major construction on the Karst topography of the area;
- Stewardship of agricultural lands under lease, particularly regarding proper fencing of livestock and impact on neighboring properties from hunting leases;
- Advance notice of entry of survey crews onto private property and care of gates and fences by such crews;
- Future land use of any property sold and whether such land use would change to uses not compatible to existing residences and businesses;

- Accurate location of existing utility easements, particularly multiple natural gas pipeline routes;
- Routing of water and sewer mains related to the upgrade of Commerce Park capacity to one million gallons per day;
- Benefit of new water and sewer infrastructure to neighborhoods without water and / or sewer service;
- Competition for agricultural leases and offering of such leases to adjacent property owners for portions of the Commerce Park acreage;
- Notice by mail directly to adjacent property owners regarding new construction and scope of Commerce Park changes; and
- Timing of sale of surplus land and whether land will be offered to adjacent property owners, particularly a buffer strip.

Authorization was requested to confer with adjacent property owners and interested citizens regarding interest in acquiring surplus lands along the Commerce Park site southern border. Authorization was also requested to begin planning for rail, electric transmission and telecommunications infrastructure right of way location and acquisition. Authorization was granted by consensus.

iii. Reactivation of Land Use and Covenant Committee (LUCC) or Initiation of Development, Covenants and Communications Committee (DC&CC)

To enhance communications with neighboring and interested property owners some formal communications approach was recommended. The LUCC was used in the initial planning of the Commerce Park. The DC&CC is required by the Commerce Park Protective Covenants, as the park obtains tenants. The DC&CC membership is representatives from the Participation Committee; all owners of land within the Park, any owner/manager of the Park green space; and four owners of land within one-half mile of Park property. Looking forward, the DC&CC can probably include the LUCC perspective of off site development impact, as well as the DC&CC on-site focus. Authorization to bring a plan for membership and responsibilities of the DC&CC to the November Participation Committee meeting was requested and granted by consensus.

iv. NRV Airport 5 Acre Swap

Manager Keith Holt has suggested the location of the lot due the airport in return for the 5 acres granted from the Airport for the Commerce Park entrance road. A copy of a sketch of the lot location from the Airport, as well as a shift recommended by Anderson and Associates to avoid a future 24 inch gravity sewer easement is filed with the records of this meeting. Thompson and Litton are also advising on avoiding conflicts with site planning for Project NEEMO. Authorization was requested to prepare for the transfer to be completed at the next VA 1st meeting, including a survey, plat and deed for recordation.

Motion: Mr. Hawley moved the committee authorize staff to prepare for the transfer of property between the New River Valley airport and the Commerce Park. Mr. Howlett seconded the motion.

Action: The motion carried unanimously.

7. Old Business

a. Project NEEMO (Nanomaterials for Energy, Environmental and Medical Operations)

i. Siting at Commerce Park

Approval of the conceptual location of Project NEEMO was recommended. A copy is filed with the records of this meeting. Dr. White with the Town of Pulaski provided an update on the project committee's progress: they have met with VEDP to keep them apprised of the project; and met with 310 Marketing about working the contact list on the NRV nanotechnology cluster and the nanotechnology park. Mr. Rundgren and Mr. Morgan met with Virginia representative for the Economic Development Administration, Bob Gittler, about the project. The agency is still interested in funding the project (the first building and site grading work), but Mr. Gittler suggested a more phased approach.

ii. Participation Agreement Components

A draft of suggested components for a Project NEEMO participation agreement is filed with the records of this meeting. Mr. Morgan request the committee provide input on items of concern and what items may have been omitted. Following this input from the Commerce Park owners' perspective, the new committee to propose the Project NEEMO participation agreement can proceed. All VA 1st member localities were reminded of the VA 1st invitation on July 8 to select a member for that committee. Mr. Morgan suggested those representatives review the components and make recommendations prior to the November Commerce Park meeting. Also during the August to October time frame, private investor support can be solicited. Hopefully by November, the level of support from both Commerce Park members and VA 1st members can be determined. From November to January, full commitment to participate can be confirmed and ratified at the January VA 1st semi-annual meeting. This schedule allows moving forward with General Assembly support during the 2010 legislative session. It will also allow the Planning District Commission to pursue EDA funding from now until early 2010.

Mr. Hamilton expressed Montgomery County's objection to the Commerce Park donating the project site and would expect to see language addressing the acquisition of property from the Commerce Park Participation Committee.

Motion: Mr. Edwards moved the committee proceed with the NEEMO project. Mr. Chittum seconded the motion.

Action: The motion carried unanimously.

b. Engineering Update

The overall water and sewer capacity upgrade is progressing, as noted in the project schedule filed with the records of this meeting. The permitting, design and bidding steps are underway with the goal to meet the September begin of construction target date, but use the one-time EDA extension if needed.

Mr. McKlarney asked staff what project delays are requiring an extension for the project. Ms. Straight explained the environmental clearances and easements are taking more time than is available before EDA requires construction to begin (action which is contingent on clearances and easements being completed).

c. Executive Committee Member from Montgomery County

Mr. Morgan asked the group if an executive committee member has been assigned by Montgomery County. Mr. Hamilton replied he will serve in that capacity.

d. Completion of Signature Cards for VA 1st and CPPC Banking

Staff will confirm all signatures, etc. are in place for banking transactions.

8. New Business

a. Marketing Staff Report

Mr. Aric Bopp, NRV Economic Development Alliance Executive Director, gave further update about the 310 Marketing project to contact companies that may be interested in the regional nanotechnology cluster. The project will start in mid-September and last 8 weeks. It will cover the entire Virginia's First region and contact 287 companies.

A prospect may be visiting the area in September to view four or five sites; the Commerce Park is ranked 4 or 5 on the list.

b. Agricultural / Residential Lease Renewals

Mr. Morgan recommended procurement of renewals or new lease arrangements by competitive negotiation (Request for Proposals) and would proceed with the procurement unless objections were expressed. Ms. Flory, public citizen and leasee in attendance, requested an opportunity to comment on this action and was recognized by Chairman McKlarney. She asked if there were problems with the current lease and expressed concern that the leases had been renewed through January and would now be publicly bid. Mr. Morgan stated government agency leases typically have a limit on the number of renewals possible and he understood the Participation Committee had previously expressed an interest in updating the lease procurement. He advised that competitive negotiation would allow more flexibility in consideration of past lessee performance and non-financial matters than competitive bidding. Mr. McKlarney suggested staff have the authority attorney review procurement requirements regarding this issue and renew if possible. If not possible, staff should proceed with new lease arrangements by competitive negotiation.

Motion: Mr. Irvin moved the committee authorize staff to have the authority attorney review procurement requirements regarding this issue and renew if possible or if not possible, proceed with new lease arrangements. Mr. Chittum seconded the motion.

Action: The motion carried unanimously

c. Celebration of Service of 1st VA 1st Executive Director David Rundgren

Mr. Morgan stated Mr. Rundgren will be recognized for his years of service to the organization at the Pulaski Mariners game and asked everyone to sign the rock from the old barn foundation on the Commerce Park that will be the memento given in recognition of his service.

9. Closed Session

The committee entered into closed session under Code of Virginia 2.2-3711 paragraphs 3 and 5 for discussion of property disposition and prospective business.

Motion: Mr. Edwards moved the committee go into closed session for the purposes of discussing property disposition, under Code of Virginia 2.2-3711 paragraphs 3 and 5. Mr. Townsend seconded the motion.

Action: Mr. Howlett, aye; Mr. Polen, aye; Mr. McKlarney, aye; Mr. Meadows, aye; Mr. Huber, aye; Mr. Chittum, aye; Mr. Edwards, aye; Mr. Townsend, aye; Mr. Irvin, aye; Mr. Vittum, aye; Mr. Hawley, aye.

Certification of Closed Session

Motion: Mr. Vittum moved the committee certify that to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the committee in the closed session. Mr. Edwards seconded the motion.

Action: Mr. Howlett, aye; Mr. Polen, aye; Mr. McKlarney, aye; Mr. Meadows, aye; Mr. Huber, aye; Mr. Chittum, aye; Mr. Edwards, aye; Mr. Townsend, aye; Mr. Irvin, aye; Mr. Vittum, aye; Mr. Hawley, aye.

Motion: Mr. Huber moved the committee renew the existing agreement with the Woltz and Associates for sale of the surplus property with caveat to allow direct negotiations with adjacent landowners. Mr. Edwards seconded the motion.

Action: The motion carried unanimously.

10. Other Business

No other business was brought before the committee.

11. Adjournment

With no further business to discuss the meeting was adjourned at 6:10 pm. The next meeting will be on November 19, 2009 at noon.

Respectfully Submitted,

Approved by,

Joseph N. Morgan
Executive Director

Shawn Utt
Secretary / Treasurer

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

August 12, 2009
New River Valley Competitiveness Center
Radford, VA

12. Jurisdiction	Member	Alternate
Bland County	() John C. Thompson () Henry M. Blessing	(x) Willie Howlett
Craig County	(x) Jay Polen	
Giles County	(x) Chris McKlarney	() Richard McCoy
Montgomery	(x) Craig Meadows	() Carol Edmonds
Pulaski County	(x) Peter Huber	(x) Shawn Utt
Roanoke County	(x) Douglas Chittum	() Charlotte Moore
City of Radford	() Bruce Brown	(x) Basil Edwards
City of Roanoke	(x) Brian Townsend	() Court Rosen
Town of Dublin	(x) Doug Irvin	(x) Bill Parker
Town of Pearisburg	(x) Ken Vittum	(x) Brad Jones
Town of Pulaski	() Morgan Welker	(x) John Hawley

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

Others Present: Carol Hall, Brian Hamilton, John White, Ron Coake, Aric Bopp, Janet Flory, Jeff Worrell, Rick DiSalvo, Lowell Bowman, Gary McCollum, Theron Barrineau

Staff Present: Joe Morgan, Dave Rundgren, Christy Straight

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
SEPTEMBER 30, 2009

Balance Forward August 12, 2009		1,504,588.55
	Dues/Shares/Rents Received 8/13-9/30	5,592.38
	Interest Earned August & September 2009	2,114.72
	Analysis charge August & September 2009	<u>(227.20)</u>
		7,479.90
Less		7,479.90
	September Payables	
	Rural Development Loan	10,258.00
	AEP	119.33
	Erie Insurance	308.00
	Miller, Long & Associates	3,500.00
	NRVPDC (July 2009)	2,563.57
	Simon & Associates	<u>1,790.00</u>
	Total Accounts Payable	18,538.90
		(18,538.90)
Balance September 30, 2009		1,493,529.55
Total Available Funds		
Virginia First Available Balance		805,990.08
	Commerce Park Balance	687,539.47
	Less Reserve	
	Rural Development Loan #1	119,448.00
	Rural Development Loan #2	<u>123,096.00</u>
		242,544.00
		(242,544.00)
Commerce Park Balance		444,995.47
Total Available less Reserves		1,250,985.55
Property Owned		
	Cullip, Doug	1,400,000.00
	Cullip, Andrew	355,000.00
	Collins/Evans	1,000,000.00
	Phillips, Edwina	2,178,000.00
	Construction/Improvements	1,958,385.06
Total Assets		6,891,385.06
	Bank Loan (phase 1)	1,223,303.00
	RD Loan (phase 1)	1,995,663.00
	RD Loan (phase 2)	2,243,313.00
Total Liabilities		5,462,279.00

Attachment to Treasurer's Report**Commerce Park Balance Detail**

	As of 9/30/09	
Total Balance	\$	444,995.47
Restricted Balance	\$	384,256.12
Unrestricted Balance	\$	60,739.35



New River Valley Commerce Park Participation Committee

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Radford, VA 24141

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

MEMORANDUM

DATE: November 12, 2009
TO: NRV Commerce Park Participation Committee
FROM: Joe Morgan
SUBJECT: November 19, 2009 Meeting Administrative Staff Report

Information and recommendations on the agenda items are:

1) Roll Call and Approval of Agenda – The current Participation Agreement calls for the Committee to be “made up of one representative of each participation jurisdiction”, so the roll call will be by jurisdiction. Also, the agreement states “the affairs of the Committee shall be conducted by the majority of the shares entitled to vote, unless this agreement requires unanimous consent and each share shall be entitled to one vote.” Unanimous consent, to my understanding, is required for: enlargement of the scope of the Commerce Park project; withdrawal from the project; and amendment of the Participation Agreement. The scope of the project was updated by unanimous consent on August 12 and is to be confirmed by the proposed Participation Agreement amendment currently under preparation. A quorum is six of the eleven member governments.

2) Public Comment – No request for public comment has been received at this time.

3) Approval of the August 12, 2009 meeting minutes (*attached*)

4) Financial Report – Staff plans to submit financial reports on a quarterly basis, following the close of transactions at the end of March, June, September and December. All participating members should have received the latest report, which was distributed on October 20. A summary of the last quarterly financial report is (*attached*). For monthly bills, copies of all invoices to be paid are being sent to the executive committee members of both VA’s 1st and the Commerce Park. Unless objections are heard from those members payment is made. For internal control separate staff members prepare checks and arrange for signing and distribution of checks. Janet McNew is responsible for preparing checks, as well as the quarterly treasurer’s report. Christy Straight arranges for check signing and distribution for approved bills.

5) Administrative Staff Report

a) Program of Work Quarterly Review (*attached*) – There may be tasks the committee desires to add or modify.

b) Participation Agreement Amendment – The draft amendment #2 (*attached*) has been updated to reflect the issues identified at the August 12 meeting: Project Scope; Voting Majority; Plan of Finance; and Revenue Sharing. The updates are shown as changes to the draft prepared by Montgomery County Attorney Marty McMahon on June 30, 2009. The members of the executive committee recommend:

- either a voting majority of two-thirds of a quorum present (4 – 8 members) and a majority of the voting shares, or;
- a two-thirds majority of the membership (7 or 8 members) and a majority of the voting shares for expansion of scope, property acquisition and disposition, debt issuance, and revenue sharing

Bland County

John C. Thompson
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Town of Pulaski

Morgan Welker

Executive Committee:

Chris McKlarney, Chair
Giles County
Basil Edwards, Vice-Chair
City of Radford
Shawn Utt,
Secretary-Treasurer
Pulaski County
Jay Polen
Craig County
Brian Hamilton
Montgomery County

Alternatives appear to be:

- If the voting majority can be decided, approval of the draft amendment #2 for submission to the VA's 1st Authority Board of Directors and member governments is recommended.
- If consensus on a voting majority is not reached, the amendment can be proposed, but leave the voting procedures unchanged,
- If it appears prudent to leave the agreement unchanged, it may be good to establish a record for future reference regarding these deliberations.

It is my opinion that the operation of the Commerce Park Participation Committee can proceed without amending the agreement, since the updated project scope was unanimously approved on August 12. No other action that would require the unanimous vote of the Committee is expected for the foreseeable future.

Attached for reference is the 1998 Agreement creating the Authority and the Participation Agreement adopted in 1999.

The Commerce Park Participation Committee Executive Committee is requested to meet immediately prior to the November 19 Participation Committee meeting to confer and provide any additional relevant insight.

c) Surplus Property Status

i) Surplus Lots Listing Status – As authorized at the August 12 Committee meeting, the listing has been renewed with Woltz & Associates through May 10, 2010, along with a reservation from the listing of 10 +/- acres for a buffer for the adjacent Church property.

ii) Initiation of Development, Covenants and Communications Committee (DC&CC) – As authorized at the August 12 meeting, I suggest the following membership and duties of the DC&CC required by the Commerce Park Protective Covenants:

- Membership: Two members from the Commerce Park Executive Committee; a representative from all owners of land within the Park, as park property is leased or sold; and for the four required owners of land within one-half mile of Park property – two residential property owners, a representative from New Dublin Presbyterian Church and a representative of neighboring agriculture land owner.
- Duties – In addition to site plan review for all development in the Commerce Park, a meeting at least annually is proposed to receive a briefing on Commerce Park planning and allow the DC&CC to offer suggestions related to planning.

iii) Residential Rental Property Status – I hope to report on whether all residential tenants are current with rent and lease requirements or whether adjustments are needed.

d) MAI Appraisal Results – Miller, Long & Associates, Inc. valued the primary 838.5 acres of Commerce Park property at \$5.2 million or \$6,200 per acre. **Attached** is a table of comparable sales used by the appraiser to determine value. I am scheduling meetings with Stellar One Bank and Rural Development to determine how the updated appraisal may change the requirements for release of property to be sold from the secured collateral. The principal balance on the three outstanding borrowings was \$5,367,005 as of June 30, 2009.

e) Insurance Review – I recommend an overall review of insurance coverage for the Commerce Park site and VA's 1st Authority operations. Through cooperative procurement a review is available under the Pulaski County agreement with McNeary Insurance Consultants. The cooperative procurement review is also being used by the NRV Airport and New River Regional Jail. **Attached** is the proposal from McNeary for the review.

6) Old Business

a) Project NEEMO

i) Option for Siting at Commerce Park – An option was authorized at the July 8 VA's 1st meeting and further discussed at the August 12 Commerce Park meeting. The suggested option terms for the 35 +/- acre site, identified in the feasibility study master plan (**attached**) are:

- (1) site – 35 +/- acre site, identified in the feasibility study master plan;
- (2) option duration – two years, with up to three one year renewals;
- (3) price - \$10,000 per acre;

- (4) access – Virginia Industrial Access Road via extension of existing Commerce Park access road along right of way identified in master plan;
- (5) land transfer – by lease purchase for the initial combined training and production laboratory anchor building site and by lease or fee simple for future building sites #1 – #8.
- (6) payment – by Project NEEMO participation shares or through the project financing at the discretion of each Commerce Park member participant.

ii) Participation Agreement Components – A revised listing of suggested components for the Project NEEMO participation agreement is *(attached)*. Changes were made to recognize that a location may evolve for the Virginia Nanotechnology Park other than the Commerce Park. Similarly, there may be multiple candidate locations for initial laboratory incubator sites. Preparation of more generic siting requirements is underway by Thompson and Litton Engineers. Virginia Tech Office of Economic Development (OED) will prepare a pro-forma business plan that considers the Commerce Park site, as well as includes features that are not site specific and can be applied to additional sites that may be identified. *Attached* is the OED plan of work. An advisory committee meeting for the OED work is planned Wednesday, December 11, 2009 in Blacksburg. Completion of the OED work is planned by February 15, 2010 to preserve the window for state funding consideration during the upcoming Virginia General Assembly session. The components recognize that all Commerce Park participants may not choose to participate in Project NEEMO. The components also recognize that Pulaski Town and County may wish to recover their initial investment in the planning and feasibility study work done to date. Changes in the components from the version reviewed at the August 12 Commerce Park Participation Committee meeting are *underlined and in italicized print*. Guidance is requested on whether the suggested components are suitable for use in seeking Project NEEMO participants and investors.

b) Engineering Update re: Water and Sewer Expansion - The planning team continues to meet bi-weekly. *Attached* are the latest meeting minutes and timeline. Environmental and archeological permitting is proceeding, with US Fish and Wildlife Service clearance recently received. Several easements are still to be acquired and some of those easements are dependent on routing the location to minimize archeological or environmental impact. The Economic Development Administration has granted an extension to the schedule for start of construction until September 2010. Bids should be let by year end, with contract award expected in February, construction to begin by March and construction be completed by September 2012. This schedule is dependent on easements being obtained soon. A spring 2010 groundbreaking ceremony is recommended.

c) Agricultural / Residential Lease Renewals – VA's 1st Attorney Jim Guynn confirmed that no further procurement is required to allow renewal of leases with current lessees. All current lessees have been contacted to proceed with renewal effective January 1, 2010. The leases include automatic annual renewal until the Committee decides otherwise.

7) New Business

- a) **Marketing Staff Report** – NRV Economic Development Alliance Executive Director Aric Bopp may have information to share.
- b) **RAAP New River Works (Dublin) Rail Transfer Study by ATK** – ATK ARMS Manager George Jobson has arranged for David Denny to conduct a feasibility study of an off loading site utilizing the rail infrastructure supporting the New River Works. The rail transfer option may be a cost effective alternative to onsite rail access to the Commerce Park.
- c) **Large Acreage Site Competition** – Discussion is encouraged on the member jurisdiction outlook on optimum size and target industries for the Commerce Park that will best compliment the region.
- d) **Workforce Characteristics** – Discussion is encouraged on the member jurisdiction outlook on the available workforce for semi-skilled to advanced manufacturing skilled jobs.

8) Closed Session – A closed session for purposes of discussion of property disposition may be helpful.

9) Other Business

- 10) Adjournment** - Next suggested scheduled meeting: Wednesday, March 10, 2010. Is a mid-day meeting convenient?

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

Adopted 4-08-09 and Updated
11-10-09

<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	VA 1st Chairman to continue appointing nominating committee 4- 6 months prior to end of terms	<i>2009 - 2010 Officers Chris McKlarney, Chair; Basil Edwards, Vice Chair; and Shawn Utt, Sec. / Treas.</i>	March - May 2009 & 2010	Straight / Morgan
Executive Committee	Include officers and 2 at large members for 6 months trial	<i>2009 - 2010 Executive Committee Officers plus Jay Polen from Craig and Brian Hamilton from Montgomery</i>	April 2009 to February 2010	Morgan
Executive Director	VA 1st Executive Director to also serve participation committees	<i>Joe Morgan designated as Executive Director</i>	Engaged April 2009 to June 2011	
<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	Review and adopt with updates as appropriate	<i>Adopted with Executive Committee authorized to offer incentives</i>	Adopted May 2009	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 and use of RAAP New River Works (Dublin) Site being evaluated for rail trans-load option	2009-10	Morgan
Review of Member Return on Investment	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	Business Plan anticipates delayed return on investment in coordination with location incentives	2009-10	Morgan
Inventory of large acreage sites in Virginia and the southeast	Develop data base for use in workforce and site strategic planning	Underway	2009	Morgan
Frequency	Initial 2 year cycle of review and readoption	Review again in 2nd quarter 2010	2009-11	Morgan

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

Adopted 4-08-09 and Updated
11-10-09

<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	Assign to Executive Director	<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	Under review	2009	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	Re-listing with Woltz & Associates through 4-10-2010, with New Dublin Church buffer reservation	Apr-10	Morgan
Surplus Land Disposal	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	Hearing held 7-7-07 and Report submitted to CPPC on 8-12-09 - Findings to be considered in site strategic planning	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 on 2/5/09 and 7/29/09	2009	Morgan
Through VA Economic Developers Association	Maintain frequent contact with VEDP leadership - Network through VEDA	Updated VEDP Research and Marketing Leaders on 2/5 & 2/19/09	Ongoing	Morgan

Adopted 4-08-09 and Updated
11-10-09

<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	Lot size availability ranges from 2 to 500+ acres to be confirmed in Participation Agreement Amendment #2	2010	Morgan
Presentation Mapping	Coordinate update with engineering consultants	Updates may be needed to reflect current planning	2009	Morgan
Review of recent prospect information presentations	Use past prospect presentations to develop base for workforce and site strategic planning	<i>Completed</i>	March - May 2009	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 Leas	Renew under current terms due to uncertainty on infrastructure extension, surplus property disposal, Project Neemo siting and multiple site layouts	Leases to be renewed 1-1-2010 with annual renewal options - Confirmation of residential tenants in-kind services underway	Dec-09	Morgan

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

Adopted 4-08-09 and Updated
11-10-09

<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)				
SITE MAINTENANCE (Continued)				
Mowing	Consider coordinating grounds maintenance with NRV Airport and / or local governments	Trial arrangement underway for 2009 with NRV Airport in return for use of CPPC tractor/mower, plus supplemental help from renters	Completed for 2009 Review for 2010 and beyond	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
SITE DEVELOPMENT				
2009-11 Water & Sewer Capacity Expansion	Archeological and endangered species studies underway by NRVPCD	Environmental studies	2009	Straight
2009-11 Water & Sewer Capacity Expansion	underway by Pulaski Co PSA	Easement acquisition	2009	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	Rundgren
2009-11 Water & Sewer Capacity Expansion	Pulaski County PSA / City of Radford water capacity agreement	underway	2009	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	Rundgren / Morgan

Adopted 4-08-09 and Updated
11-10-09

		<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
PARTICIPATION COMMITTEE Commerce Park (Continued)					
SITE DEVELOPMENT (continued)					
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	Swap site accepted by NRV Airport and approved by CPPC 8-12-2009 with survey and deed preparation authorized for formal VA's 1st approval 1-13-2010	2009 - 10	Morgan	
Protective Covenants	Coordinate updates with strategic planning. Existing covenants may not reflect future development plan	Initiation of Development, Covenants and Communications Committee (DC&CC) to be considered 11-19-2009	2009 - 10	Morgan	

SECOND AMENDMENT TO THE NEW RIVER VALLEY
COMMERCE PARK PROJECT PARTICIPATION AGREEMENT DRAFT 7/1/09
Updated 11/1/09

THIS SECOND AMENDMENT TO THE PARTICIPATION AGREEMENT (the
“Second Amendment to Participation Agreement”) is dated this ___ day of _____, 2010, between
and among Virginia’s First Regional Industrial Facility Authority and the Participants defined below.

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WITNESSETH:

WHEREAS, the undersigned governing bodies are each member localities of Virginia’s First Regional Industrial Facility Authority (“the Authority”) a body corporate, organized and created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 Title 15.2 of the Code of Virginia, 1950, as amended (“the Act”); and

WHEREAS, pursuant to the authority granted under the Act to enter into agreements for the development of regional economic development projects the Authority and the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Wythe, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the City of Roanoke, Virginia the Town of Dublin, Virginia, the Town of Pearisburg, Virginia and the Town of Pulaski, Virginia each entered into the New River Valley Commerce Park Project Participation Agreement – Initial Phase dated as of October 14, 1999 (“the Participation Agreement”) for the development of the Commerce Park Project; and

WHEREAS, on August 8, 2001, the Participation Agreement was amended whereby County of Wythe was allowed to sell its shares to the remaining participants and withdraw from the Participation Agreement leaving the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the County of Roanoke, Virginia, the Town of

Dublin, Virginia, the Town of Pearisburg, Virginia, and the Town of Pulaski, Virginia as the remaining participants (“the Participants”); and

WHEREAS, the Authority and the Participants desire to amend the Participation Agreement a second time by (1) expanding the scope of the Project Description to include all actions taken place to date and to acknowledge regional planning objectives pending project based financing; (2) by amending the required voting approval before the Participation Committee may act, including to lease, use, sell encumber, transfer or dispose of any real or personal property comprising of part or all of the Project; (3) by amending the Finance Plan for the project by including the use of money from the sale of surplus property and the use of surplus Authority dues money upon unanimous consent of all member jurisdictions of the Authority allowing the Authority to pledge such surplus Authority money, as well as confirm the outstanding debt on behalf of the Commerce Park; and (4) by amending the Revenue Sharing provision to provide for the sharing of Business Personal Property taxes and Real Estate Taxes between the host community Pulaski County and the Participants with a portion of this additional revenue to be eligible to be offered by the Participants as incentive to attract businesses to the Commerce Park.

Deleted: the purchase of additional acreage, the extension of water and sewer infrastructure to serve the New River Valley Commerce Park and the development of smaller individual lots in addition to the large lots in order to maximize development;

Deleted: by including a \$3.1 million loan/grant from the Economic Development Administration for the purpose of extending water and sewer infrastructure to serve the New River Valley Commerce Park and

NOW, THEREFORE, The Authority and the Participants agree and consent as follows:

1. That the Participation Agreement is amended in accordance with this Second Amendment to the New River Valley Commerce Park Project Participation Agreement and except as amended by the First Amendment and this Second Amendment, the Agreement is confirmed, reiterated and ratified.

2. The Scope of the Project Description as defined in paragraph I. of the Participation Agreement is hereby amended to include the following additional components:

- acquisition of all land located in Pulaski County, Virginia, now titled to the Authority, including:

<u>Tax Map Parcel</u>	<u>Acres from Tax Map</u>	<u>From:</u>
<u>036-005-0000-0003</u>	<u>411.98</u>	<u>Evans-Collins Estate, Doug Cullop and IDA of Pulaski County</u>
<u>047-048-0000-0004</u>	<u>36.52</u>	<u>Doug Cullop and Andy & Becky Cullop</u>
<u>047-048-0000-0010</u>	<u>65.222</u>	<u>Cullops and Evans/Collins in buffer zone</u>
<u>036-003-0000-0005</u>	<u>5</u>	<u>NRV Airport Commission for entrance road</u>
<u>036-003-0000-0006</u>	<u>5</u>	<u>Pledged for transfer to NRV Airport Commission</u>
<u>036-005-0000-0003</u>	<u>340.898</u>	<u>Edwina Dalton Phillips purchase</u>
<u>037-001-0000-0021</u>	<u>55.102</u>	<u>Edwina Dalton Phillips donation</u>
<u>Total Acreage</u>	<u>919.72</u>	<u>From Tax Map</u>
<u>Developable Acreage</u>	<u>657.5</u>	<u>From May 2004 Master Plan</u>

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- wastewater capacity reservation and cost recovery agreement of November 3, 2005 for 24 " sewer gravity main crossing Shelor Race Complex
- transfer of 5 acres to NRV Airport Commission in return for 5 acre entrance road parcel
- surplus property sale of 36.532 acres zoned A-1 including former Mebane house
- reservation of 1 million gallons per day (MGD) water and sewer capacity from PULASKI COUNTY PUBLIC SERVICE AUTHORITY (PSA), along with customer pledge to pay 1/3 of PSA debt service for related 3 MGD system water and sewer expansion
- marketing and development of large lots but also smaller lots in order to maximize the development of the Park.
- regional planning objectives pending project based financing, including:
 - o extension of rail service to Commerce Park sites;
 - o extension of electric transmission line and substation to Commerce Park sites, including implementation of the American Electric Power plan of 2008;
 - o extension of Virginia Department of Transportation (VDOT) roadways to serve Commerce Park sites and along border with NRV Airport for a transportation thoroughfare;
 - o disposition of additional land that may be declared surplus, including land southeast of Rhuebush road and along the southern Commerce Park border in excess of the required 300 feet wide green-space buffer;
 - o host for the proposed Virginia's Nanotechnology Park; and
 - o additional projects based financing pursuant to August 8, 2001 Authority members' agreement.

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3. Paragraph II of the Participation Agreement is hereby amended to require that the Participation Committee may not take action, including action to lease, sell, encumber, transfer or dispose of any real or personal property comprising of the Project or authorize the Authority to do the same without an affirmative vote of both a majority of the shares entitled to vote and a affirmative vote of two-thirds of a quorum of the members of the Participation Committee; notwithstanding that any member government may object to action on a matter not on a proposed agenda for a duly called meeting, which agenda is sent out to the Participation Committee members a week in advance, and where that member is unable to send a representative to such meeting. Such objection shall require the matter in question to be reconsidered at the next regular or duly called Committee meeting.

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4. The Financing Plan as defined in paragraph IX of the Participation Agreement is hereby amended to recognize the current debt obligations for the Commerce Park and include the following additional sources of revenue:

- The proceeds of:
 - Rural Development Revenue Bond of March 19, 2002 with annual interest of 4.75% and June 30, 2009 outstanding balance of \$1,971,008;
 - Rural Development Revenue Bond of March 2, 2005 with annual interest of 4.35% and June 30, 2009 outstanding balance of \$2,218,409; and
 - A commercial bank loan of March 19, 2002 with variable interest and June 30, 2009 outstanding balance of \$1,177,588.
- The use of money from the sale of surplus property that was previously purchased by the Participants but now deemed surplus.
- The use of surplus Authority dues money upon unanimous consent of all member jurisdictions of the Authority authorizing the use of the surplus dues.
- An estimated \$3.1 million loan or other financing to the Pulaski County Public Service Authority to match a grant from the US Department of Commerce Economic Development Administration to be used for the purpose of extending water and sewer infrastructure to serve the New River Valley Commerce Park, of which financing one-third is to be pledged as a capacity reservation fee to provide one million gallons per day (MGD) water and sewer capacity to the Commerce Park.

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- ~~Refunding of bonds, procurement of new commercial bank financing, or changes in debt financing, when deemed advantageous by the Commerce Park Participation Committee.~~

Deleted: <#>A \$1,376,831 Commercial Bank Loan used to purchase 700 additional acres of land.¶

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This amendment to the Financing Plan shall not result in the Participants incurring any additional costs beyond the existing annual dues and their individual share payments.

5. The Revenue Sharing as defined in paragraph XII of the Agreement is hereby amended to include the sharing of additional tax revenues to include business personal property taxes and real estate taxes assessed by the host community Pulaski County to be shared between the host community Pulaski County and the Participants for a period of fifteen years as defined below once these taxes are assessed due to a business locating in the Park. The parties agree that for the years 1 through 9 Pulaski County and the Participants shall share equally 100% of the business personal property and real estate taxes assessed. For years 10 through 11 Pulaski County and the Participants shall share equally 75% of the business personal property and real estate taxes assessed. For years 12 through 13 Pulaski County and the Participants shall share equally 50% of the business personal property and real estate taxes assessed. For years 14 through 15 Pulaski County and the Participants shall share equally 25% of the business personal property and real estate taxes assessed. The parties recognize that Pulaski County's agreement to share the business personal property taxes and the real estate taxes assessed by Pulaski County as the host community with the Participants is a moral obligation and not a legal debt of Pulaski County and the payment of those additional tax revenues to the Participants is subject to annual appropriation of the Board of Supervisors of Pulaski County. The revenue generated from the business personal property taxes and the real estate taxes shall not be subject to the 5% host fee or the 1% Authority administrative fee that is applicable to revenue generated by machinery and tools tax.

The Participants agree that the business personal property and real estate taxes referenced above that would be generated in the first seven (7) years may be offered by the

Participants as incentive to locate industry to the New River Valley Commerce Park upon an affirmative vote of both a majority of the shares entitled to vote and two-thirds of a quorum of the members of the Participation Committee; notwithstanding that any member government may object to action on a matter not on a proposed agenda for a duly called meeting, which agenda is sent out to the Participation Committee members a week in advance, and where that member is unable to send a representative to such meeting. Such objection shall require the matter in question to be reconsidered at the next regular or duly called Committee meeting.

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6. If any provision of this Second Amendment to the Participation Agreement shall be held invalid by any court of competent jurisdiction such holding shall not invalidate any other provisions hereof.

7. This Second Amendment to the Participation Agreement may be executed in any number of counterparts each of which shall be an original together they shall constitute but one and the same Second Amendment to the Participation Agreement.

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VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Attest: Approved as to form:

Secretary of the Authority Board Attorney, VFRIFA Chairman, Authority Board

COUNTY OF BLAND, VIRGINIA

Attest: Approved as to form:

Clerk, Board of Supervisors County Attorney Chairman, Board of Supervisors

COUNTY OF CRAIG, VIRGINIA

Attest: Approved as to form:

Clerk, Board of Supervisors County Attorney Chairman, Board of Supervisors

TOWN OF DUBLIN, VIRGINIA

Attest: Approved as to form:

Clerk, Town Council Town Attorney Mayor

COUNTY OF GILES, VIRGINIA

Attest: Approved as to form:

Clerk, Board of Supervisors County Attorney Chairman, Board of Supervisors

COUNTY OF MONTGOMERY, VIRGINIA

Attest: Approved as to form:

Clerk, Board of Supervisors County Attorney Chairman, Board of Supervisors

TOWN OF PEARISBURG, VIRGINIA

Attest: Approved as to form:

Clerk, Town Council Town Attorney Mayor

COUNTY OF PULASKI, VIRGINIA

Attest: Approved as to form:

Clerk, Board of Supervisors County Attorney Chairman, Board of Supervisors

TOWN OF PULASKI, VIRGINIA

Attest: Approved as to form:

Clerk, Town Council County Attorney Mayor

CITY OF RADFORD, VIRGINIA

Attest: Approved as to form:

Clerk, City Council

County Attorney Mayor
CITY OF ROANOKE, VIRGINIA

Attest:

Approved as to form:

Clerk, City Council

County Attorney

Chairman, Board of Supervisors

COUNTY OF ROANOKE, VIRGINIA

Attest:

Approved as to form:

Clerk, Board of Supervisors

County Attorney

Chairman, Board of Supervisors

AGREEMENT CREATING VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

WHEREAS, in compliance with the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950 as amended (the 'Act'), the undersigned governing bodies of the creating political subdivisions have determined that the economic growth and development of the localities and the comfort, convenience and welfare of their citizens require the development of facilities; and,

WHEREAS, such governing bodies have further determined that joint action through a regional industrial facility authority will facilitate the development of the needed facilities.

NOW THEREFORE, the named political subdivisions of the Commonwealth of Virginia hereby agree to create Virginia's First Regional Industrial Facility Authority, a public body politic and corporate created pursuant to the Act, subject to the following terms and conditions:

I. NAME

The name of the authority shall be "Virginia's First Regional Industrial Facility Authority" and the address of its principal office is P.O. Box 3726, Radford, Virginia, 24143.

II. PARTIES TO VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY AGREEMENT

The initial members of the Authority are:

The County of Bland, Virginia	The County of Craig, Virginia
The County of Giles, Virginia	The County of Montgomery, Virginia
The County of Pulaski, Virginia	The County of Roanoke, Virginia
The County of Wythe, Virginia	The City of Radford, Virginia
The City of Roanoke, Virginia	The City of Salem, Virginia
The Town of Christiansburg, Virginia	The Town of Dublin, Virginia
The Town of Narrows, Virginia	The Town of Pearisburg, Virginia
The Town of Pulaski, Virginia	

each of which is a political subdivision of the Commonwealth of Virginia, are authorized by the Act to participate in this Authority and collectively are the "Member Localities".

III BOARD OF THE AUTHORITY

There shall be two (2) representatives appointed by each Member Locality to serve on the Board of the Authority which shall exercise the powers of the Authority. Members representing the respective political subdivisions shall be appointed, serve and be governed by the provisions of § 15.2-6403 of the Code of Virginia, 1950, as amended. The initial term of office of the members shall begin on the date of the creation of the Authority. Each member of the board, before entering upon the discharge of the duties of the office, shall take and subscribe to the oath prescribed in § 49-1 of the Code of Virginia, 1950, as amended.

IV FINDINGS AND PURPOSE FOR WHICH THE AUTHORITY IS CREATED

The Member Localities hereby agree to the following findings and purposes for which the Authority is created:

- A. The economy of Western Virginia has not kept pace with those of much of the rest of the Commonwealth. Individual localities in the region often lack the financial resources to assist in the development of economic development projects. Providing a mechanism for localities in the region to cooperate in the development of facilities will assist the region in overcoming this barrier to economic growth. The creation of regional industrial facility authorities will assist this area of the Commonwealth in achieving a greater degree of economic stability.
- B. The purpose of the regional industrial facility authority is to enhance the economic base for the Member Localities by developing, owning, and/or operating one or more facilities on a cooperative basis involving its member localities.
- C. The exercise of the powers granted by the Act shall be in all respects for the benefit of the inhabitants of the region and other areas of the Commonwealth, for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity.
- D. That the economic growth and development of this region and the comfort, convenience and welfare of its citizens require the development of facilities and joint action through a regional industrial facility authority facilitating the development of the needed facilities.

V. INDUSTRIAL FACILITIES

There is a wide variety of projects which the Authority may select to undertake in meeting the purposes of the Act. The Authority may undertake any project authorized by the Act. The Authority may also support and participate in any project authorized by the Act for which any Member Locality requests assistance, provided that the assets, faith and credit of the Authority may not be pledged without the consent of all Member Localities. Where the Authority does not have adequate resources to undertake an additional project, the Authority shall seek the participation of Member Localities. No such project shall be undertaken by the Authority until it shall have received the support and adequate commitment of financial resources to fund the project.

VI. PARTICIPATION AGREEMENTS

The Authority may undertake to participate in any project authorized by the Act and undertaken by any one or more of the Member Localities. Such participation shall be on such terms and conditions as the Board of the Authority and the localities participating in the project may agree, and may include participation by public and private entities not members of the Authority, provided that the assets, faith and credit of the Authority may not be pledged without the consent of all Member Localities. The Authority may issue bonds and other indicia of debt based solely upon such participating agreements. Each Member Locality may consider its terms of participation in each proposed project in accordance with the participating agreement establishing such project. With the exception of any Authority bond fee and the possible recovery of any of the Authority's costs and expenses, any benefits of any project to be distributed to the Member Localities shall be paid and apportioned in accordance with the participating agreement for that project.

VII. GENERAL OPERATIONS OF THE AUTHORITY

The general business of the Authority, including the issuance of bonds not based upon the full faith, credit and assets of the Authority and the expenditure of funds for general expenses, shall be conducted by majority action of the Board of the Authority, provided, such Board may create an executive committee and such other committees as the Board may direct, including project committees. The Authority shall, from time to time, by majority action of the Board of the Authority, establish such fees as shall be necessary to be paid by the Member Localities to support the general activities of the Authority, provided, however, that, without its express agreement, no Member Locality shall be required to pay fees and assessments in excess of five thousand dollars (\$5,000) per year to support the general activities of the Authority.

VIII. POWERS OF THE AUTHORITY

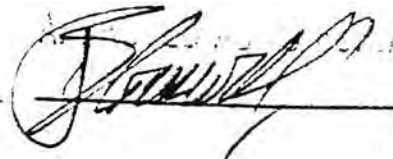
The Authority is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. The Authority shall have all rights, duties and powers provided by the provisions of the Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, including the power to issue bonds for any valid purpose.


IN WITNESS WHEREOF, the Governing Bodies identified, by authorized action, have caused this Agreement to be executed, and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing this 1st day, of September, 1998.

COUNTY OF BLAND, VIRGINIA

Attest:



Clerk, Board of Supervisors



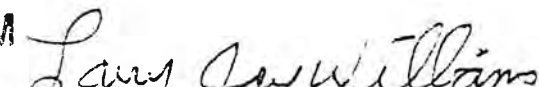

Chairman, Board of Supervisors

COUNTY OF GILES, VIRGINIA

Attest:

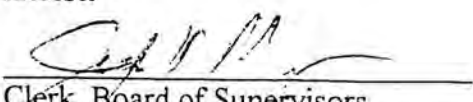

Clerk, Board of Supervisors

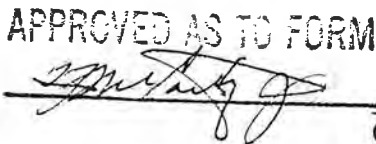
APPROVED AS TO FORM

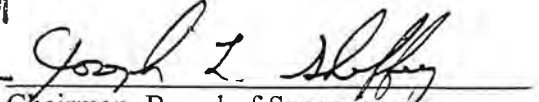


Chairman, Board of Supervisors

COUNTY OF PULASKI, VIRGINIA

Attest:


Clerk, Board of Supervisors

APPROVED AS TO FORM



Chairman, Board of Supervisors

COUNTY OF WYTHE, VIRGINIA

Attest:

R. Albert Dalton
Clerk, Board of Supervisors

APPROVED AS TO FORM

[Signature]

W. B. Smith
Chairman, Board of Supervisors

CITY OF ROANOKE, VIRGINIA

Attest:

Mary J. Parker
Clerk, City Council

APPROVED AS TO FORM

[Signature]
City Attorney

D. L. Berman
Mayor, City of Roanoke

TOWN OF CHRISTIANSBURG, VIRGINIA

Attest:

Julie L. West
Clerk, Town Council

William J. McShee
Town Attorney
Christiansburg
Virginia

Harold E. Linkous
Mayor, Town of Christiansburg

TOWN OF NARROWS, VIRGINIA

Attest:

Samuel R. Johnson
Clerk, Town Council

APPROVED AS TO FORM

[Signature]

Harold E. Linkous
Mayor, Town of Narrows

TOWN OF PULASKI, VIRGINIA

Attest:

Patience Conroy
Clerk, Town Council

APPROVED AS TO FORM

[Signature]
Town Attorney

John A. Johnson
Mayor, Town of Pulaski

COUNTY OF CRAIG, VIRGINIA

Attest:

Ross S. Lamm
Clerk, Board of Supervisors

APPROVED AS TO FORM

[Signature]

[Signature]
Chairman, Board of Supervisors

COUNTY OF MONTGOMERY, VIRGINIA

Attest:

[Signature]
Clerk, Board of Supervisors

*Approved as to form
Wm. M. Mendenhall*

Joseph V. Gorman
Chairman, Board of Supervisors

COUNTY OF ROANOKE, VIRGINIA

Attest:

Mary H. Allen
Clerk, Board of Supervisors

APPROVED AS TO FORM

[Signature]

[Signature]
Chairman, Board of Supervisors

CITY OF RADFORD, VIRGINIA

Attest:

Judith J. Bruce
Clerk, City Council
Deputy Clerk

*Approved as to
form 9/17/98
[Signature]
city attorney*

Thomas P. Stone
Mayor, City of Radford

CITY OF SALEM, VIRGINIA

Attest:

[Signature]
Clerk, City Council

APPROVED AS TO FORM

[Signature]

Carl E. Taylor
Mayor, City of Salem

TOWN OF DUBLIN, VIRGINIA

Attest:

[Signature]
Clerk, Town Council

APPROVED AS TO FORM

[Signature]

Walter A. Kister
Mayor, Town of Dublin

TOWN OF PEARISBURG, VIRGINIA

Attest:

[Signature]
Clerk, Town Council

APPROVED AS TO FORM

[Signature]

[Signature]
Mayor, Town of Pearisburg

**NEW RIVER VALLEY COMMERCE PARK PROJECT
PARTICIPATION AGREEMENT - INITIAL PHASE**

THIS AGREEMENT, dated this the 14th day of October, 1999 by and between VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY, a body corporate, organized and created pursuant to Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, (the "Authority") and THE COUNTY OF CRAIG, VIRGINIA; THE COUNTY OF GILES, VIRGINIA; THE COUNTY OF MONTGOMERY, VIRGINIA; THE COUNTY OF PULASKI, VIRGINIA; THE COUNTY OF ROANOKE, VIRGINIA; THE COUNTY OF WYTHE, VIRGINIA; THE COUNTY OF BLAND, VIRGINIA; THE CITY OF RADFORD, VIRGINIA; THE CITY OF ROANOKE, VIRGINIA; THE TOWN OF DUBLIN, VIRGINIA; THE TOWN OF PEARISBURG, VIRGINIA; and THE TOWN OF PULASKI, VIRGINIA, political subdivisions of the Commonwealth of Virginia and members of the Authority and participating jurisdictions herein (the "Participants"),

WITNESSETH:

WHEREAS the Authority has been created under the provision of Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, to promote economic development in the region; and,

WHEREAS the Participants and the Authority have identified the development of the New River Valley Commerce Park, Initial Phase, located at the New River Valley Airport in Pulaski County, Virginia (the "Project"), as an important project for the region to promote the purposes for which the Authority has been formed; and,

WHEREAS the Authority and the Participants desire to enter into this Agreement for the purpose of establishing the scope of the Project, the investment therein of the Authority and the Participants and the revenue sharing from the Project.

NOW THEREFORE, in order to carry out the purposes for which the Authority was formed and to create a project which will promote the economic development of the region and the Participants, the parties hereto do hereby agree as follows:

A TRUE COPY

TESTE:

R. GLENWOOD LOWMAN, CLERK

BY: [Signature]

I**PROJECT DESCRIPTION**

The New River Valley Commerce Park, Initial Phase ("Project") may, subject to funding, include the following items:

- acquisition of 326 acres of land located in Pulaski County, Virginia (the "host locality") near or adjoining the New River Valley Airport;
- acquisition of easements for access, water supply, waste water disposal for the Project;
- continuation of options for approximately 739 acres of land adjoining the Project for a period of five additional years;
- construction of 1 mile of four lane divided access road to the Project site from the existing public road;
- site grading of at least 40 acres of land to demonstrate the construction of an industrial pad up to 150 acres in size and a demonstration of the construction of an additional pad of up to 200 acres;
- detailed engineering plans for the provision of up to 6 million gallons of water supply and waste water disposal per day for the Commerce Park.

Any enlargement of the scope of the Project in excess of these components shall require unanimous consent of all Participants.

II**PROJECT UNDERTAKEN IN THE NAME OF THE AUTHORITY**

The development of the Project shall be undertaken in the name of the Authority and, subject to the terms of this Agreement, the Authority, shall own, hold, lease, use, sell, encumber, transfer, and dispose of any real or personal property comprising part or all of the Project, provided, however, that the Authority is hereafter required to take all actions related to the Project as directed by the

Project Participation Committee and may not lease, use, sell, encumber, transfer or dispose of any real or personal property comprising part or all of the Project or take any action or perform any function related to the Project or any portion thereof without the express direction and approval of the Project Participation Committee.

III

ADDITIONAL PHASES

The Project herein described is the Initial Phase for the New River Valley Commerce Park. All parties hereto recognize that development of the New River Valley Commerce Park may involve several phases beyond the Initial Phase. In the event additional Phases to the Commerce Park are undertaken by the Authority, the Participants herein shall have first priority to purchase shares in such additional Phases to the Commerce Park in the same proportion as their ownership in the Initial Phase at such price as the parties shall hereafter agree, but no Participant in this Project shall be obligated to purchase any additional shares in this or any other Phase of the Commerce Park.

IV

PROJECT PARTICIPATION COMMITTEE

The New River Valley Commerce Park Participation Committee (the "Committee"), made up of one representative of each participating jurisdiction, shall have sole responsibility for the decisions required for the construction, management, and overall implementation of the Project. The Committee shall set its own rules of operation, elect its own officers, and require the Authority to take the actions necessary to implement and operate the Project, retain Project consultants and utilize staff as needed for the Project.

The affairs of the Committee shall be conducted by the majority of the shares entitled to vote unless this Agreement requires unanimous consent and each share shall be entitled to one vote.

V

ANNUAL BUDGETS AND DEFICITS

As soon as practicable after the Committee has formed, and by March 1 of each future year, the Committee shall develop and present to the Participants in the Project its operating and capital budgets for the fiscal year beginning the following July 1, showing all contemplated expenditures for operations, capital expenses, debt service and all anticipated revenues from revenue sharing, federal and state grants, and other sources. This annual budget shall be approved by the Committee on or before July 1 of each year. Each Participant and the Authority shall be entitled to review the financial records of the Committee upon request. There shall be an annual audit of the Committee's financial records performed by a licensed Certified Public Accountant and each annual audit statement shall be furnished to each Participant.

The offering share price, to be paid annually by the Participants to the Authority, shall include payment of annual debt service, including financing costs and expenses and administrative costs and expenses for the Committee to operate the Project. No additional costs or expenses of the Project, including administrative expenses shall be charged to any Participant without the express written consent of that Participant.

VI

FINANCING

Financing of the project shall be arranged in the name of the Authority. All loan obligations for the Project shall be the sole responsibility of the Committee and the Participants in the Project which shall reimburse the Authority for all expenses incurred by the Authority for the Project. Without its express consent, a Participant shall not be responsible for any portion of such loan obligations and expenses in excess of its proportional interest in the total outstanding shares of the Project.

VII

LIMITATION OF LIABILITY

The Committee shall ensure the payment of all obligations, costs and expenses for the implementation of this Project such that the Participants are solely responsible for discharging the Authority's obligations in respect to the Project. Non-participating members of the Authority and the Authority itself are not responsible for the financing or debts of the Project or the Project Participation Committee.

VIII

CONTRIBUTIONS AND OWNERSHIP

The ownership interest in the Project shall be determined as follows:

1. Each member locality in the Authority shall be offered 1/15th share in the Project, or 10,000 shares of a 150,000 Share Pool. The value of the shares is dependent upon the financing structure of the Project and shall include an amount for the annual payment of administrative expenses. Localities can decide if they wish to accept any or all of the offered shares;
2. All shares not taken under provision 1 shall be then offered to those localities which have agreed to purchase shares in the Project. Each of those localities may purchase that portion of the remaining shares equal to the proportion of shares that locality initially purchased of the total shares purchased by all localities under provision 1;
3. Any shares in the Project thereafter remaining shall first be offered to the host locality;
4. Any shares thereafter remaining shall then be offered to others, including private or other non-member investors, on such terms and for such consideration as determined by the participating localities.
5. Each participating locality ("Participant") will contribute annually to the costs and expenses of the Project, including repayment of any financing, with interest and expenses,

in proportion to the amount of shares it owns to the total outstanding shares, subject to the limitation that a Participant's annual contribution, per share, shall not exceed, without its consent, the initial share price. Each Participant will receive a distribution of revenue from the Project as provided in Article XII of this Agreement, resources permitting. The initial annual payment shall be made by each Participant within thirty (30) days after execution of this Agreement by all Participants.

Should any Participant fail or neglect to make any such annual contribution to support the Project, including the repayment of financing and all costs and expenses, and such failure continues for more than twenty (20) days after written demand by the Committee, such Participant shall forfeit and lose any and all interest and shares in the Project and such forfeited shares shall be redistributed among the Participants as provided in this Article. Such forfeiture of shares shall not relieve such Participant of any liability related to the Project.

IX

FINANCING PLAN

The financing plan for the implementation of the Project is a combination of grant and loan sources. Financing for the Project will require the Participants to share in the annual debt service and costs on the funds borrowed to complete the Project and administrative costs and expenses.

The total estimated cost of the Project is \$6,908,500, and the revenue sources are as follows:

	AMOUNT
Virginia State Grant	\$1,375,000
EDA/ARC Grant	\$1,000,000
VDOT Access Road Grant	\$ 450,000
Rural Development Loan Guarantee	\$2,041,750
Rural Development Direct Loan	\$2,041,750

The annual payment required for each share is that amount which when multiplied by the total shares outstanding will pay the annual debt service on the loans to support the Project and shall include an annual administrative fee as agreed by the Participants. It is agreed that the annual share price will support the Project, including costs of financing and administrative costs and expenses and that a Participant's annual payment per share shall never exceed, without its consent, the initial share price. Annual payments by the Participants shall continue until all debt repayment is accomplished and may be reduced as loans are paid. After all debt service is retired, the annual contribution of each Participant shall be reduced to that amount which will pay the annual administrative fee as agreed by the Participants.

X

REQUIREMENT FOR DEVELOPMENT OF THE PROJECT

All business(es) or industry(ies) locating in the Project shall execute a performance agreement with the Authority, the Committee and the host locality. Should such business(es) or industry(ies) require improvements in the infrastructure of the host locality which cannot be provided through rate based financing, the performance agreement shall provide for payment for such infrastructure on such basis as all parties to the performance agreement, including the host locality, shall agree. The performance agreement shall contain such other terms and conditions as the parties may agree, and may include a guarantee for payment of sufficient revenue from the business(es) or industry(ies) to generate an acceptable level of Revenue to the host locality and the Participants and may include a guarantee that such payment and the Revenue will not be reduced by any reduction of the tax rate, abolition of the machinery and tools tax or reduction in the tax paid by the business(es) and industry(ies) after siting because of a reduction in the amount of machinery or tools on the site.

The governing body of the locality in which the Project is located (the "host locality") shall have the sole and absolute right to approve or disapprove the business or businesses, industry

or industries which shall be allowed to locate in the Project.

XI

PARTICIPANTS MAY SELL SHARES

Participants in the Project are authorized to sell their shares in the Project subject to the approval of the Committee. Prior to offering such shares for sale to any party, the Participant shall first offer the shares to the remaining Participants in the same order as contained in Section VIII of this Agreement and at the same price as to be offered for sale to others. The conditions of sale must also be accepted by the bondholders or their representatives, and all other secured creditors.

XII

REVENUE SHARING

Revenue is defined as the taxes paid by all the business(es) and industry(ies) located in the Project calculated on the machinery and tools to be located by that business or industry in the Project at the tax rate in existence in the host locality at the time of the execution of this Agreement or any increased tax rate imposed by the host locality hereafter. The tax rate in existence in the host locality of the Project, Pulaski County, Virginia, is, as of the date of the execution of this Agreement One Dollar Fifty Cents (\$1.50) per One Hundred Dollars (\$100.00) of value as assessed at Forty Eight percent (48%) of original capitalized cost (the "tax rate"). Revenue amounts shall be determined and agreed to prior to the siting of any business or industry on the Project. Neither reduction of the tax rate hereafter, abolition of the machinery and tools tax or reduction in the tax paid by the business(es) and industry(ies) after siting because of a reduction in the amount of machinery or tools on the site shall reduce the revenue to be paid to the Authority by the host locality.

The revenue generated from the Project will be paid to the Authority by the host locality in perpetuity and distributed as follows:

1. The remaining revenue shall be distributed first to pay any current installments of debt due on the Project, including financing payments of principal and interest, and all costs and

expenses.

2. Because the locality in which the project is located will incur costs, such as police, fire and public safety expenses, and will suffer loss of income from state and federal sources because of the location of the project, the host locality shall retain 5% of the Revenue as a "host fee.";
3. The Authority will retain an administrative fee of 1% of the revenue received from the host locality;
4. Any remaining revenue shall be and then distributed to the Participants in the Project based upon their percentage of shares owned in the Project

XIII

WITHDRAWAL AS A PARTICIPATING JURISDICTION

Once obligations have been incurred by the Authority in favor of the Project, participants in the Project may withdraw from the Project only as the other participants may unanimously agree. The conditions of withdrawal must also be accepted by all secured debtors and bondholders or their representatives.

XIV

ANNUAL APPROPRIATIONS

The revenue sharing, payments and contributions to the Authority and the Committee herein required by the participants are specifically authorized as to local governments pursuant to § 15.2-6406 and § 15.2-6407 of the Code of Virginia, 1950, as amended. In the event such code provisions are held to be invalid so that the payments and contributions hereunder may be considered to be the debt of a local government pursuant to Article VII, Section 10 of the Virginia Constitution, such payments and contributions shall not be debt of such participating local government but shall be subject to and dependent upon annual appropriations being made from time to time by its governing body and each participating locality agrees that its chief administrative officer shall annually request, and use his or her best efforts to secure the governing body's approval of such annual appropriations.

necessary to make such payments and contributions as required by the provisions of this Agreement

XV

AMENDMENT

This Agreement may be amended from time to time as the parties may agree, provided all amendments shall be in writing and shall require unanimous consent of all Participants and the consent of the Authority and the host locality.

IN WITNESS WHEREOF, the Governing Bodies identified, by authorized action, have caused this Agreement to be executed, and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing this 14th day, of October, 1999.

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Attest:

David W. Rindge
Clerk of the Board

Approved as to Form:

[Signature]
Attorney, VFRIFA

[Signature]
Chairman of the Board

COUNTY OF GILES, VIRGINIA

Attest:

[Signature]
Clerk, Board of Supervisors

Approved as to Form:

[Signature]
Attorney, Giles County

[Signature]
Chairman, Board of Supervisors

COUNTY OF PULASKI, VIRGINIA

Attest:

[Signature]
Clerk, Board of Supervisors

Approved as to Form:

[Signature]
Attorney, Pulaski Co.

[Signature]
Chairman, Board of Supervisors

COUNTY OF WYTHE, VIRGINIA

Attest:

[Signature]
Clerk, Board of Supervisors

Approved as to Form:

[Signature]
Attorney, Wythe County

[Signature]
Chairman, Board of Supervisors

CITY OF ROANOKE, VIRGINIA

Attest:

[Signature]
Clerk, City Council

Approved as to Form:

[Signature]
Attorney, City of Roanoke

[Signature]
Mayor, City of Roanoke

TOWN OF PULASKI, VIRGINIA

Attest:

Approved as to Form:

Patricia Lombard
Clerk, Town Council

[Signature]
Attorney, Town of Pulaski

John G. Johnston
Mayor, Town of Pulaski

COUNTY OF CRAIG, VIRGINIA

Attest:

Approved as to Form:

Elizabeth Frank
Clerk, Board of Supervisors

[Signature]
Attorney, County of Craig

George M. Jones
Chairman, Board of Supervisors

COUNTY OF MONTGOMERY, VIRGINIA

Attest:

Approved as to Form:

[Signature]
Clerk, Board of Supervisors

Martin M. McClure
Attorney, County of Montg.

Mary W. Biggs
Chairman, Board of Supervisors

COUNTY OF ROANOKE, VIRGINIA

Attest:

Approved as to Form:

Mary H. Allen
Clerk, Board of Supervisors

Paul M. Madson
Atty., County of Roanoke

[Signature]
Chairman, Board of Supervisors

CITY OF RADFORD, VIRGINIA

Attest:

Approved as to Form:

Roy Bond
Clerk, City Council

[Signature]
Attorney, City of Radford

Donald F. [Signature]
Mayor, City of Radford

TOWN OF DUBLIN, VIRGINIA

Attest:

Approved as to Form:

Ann C. Bond
Clerk, Town Council

[Signature]
Attorney, Town of Dublin

Walter S. Keister
Mayor, Town of Dublin

TOWN OF PEARISBURG, VIRGINIA

Attest:

Approved as to Form:

Julie R. Hance
Clerk, Town Council

[Signature]
Atty., Town of Pearisburg

John H. [Signature]
Mayor, Town of Pearisburg

COUNTY OF BLAND, VIRGINIA

Attest:

Approved as to Form:

[Signature]
Clerk, Board of Supervisors

[Signature]
Attorney, County of Bland

MR Thompson
Chairman, Board of Supervisors

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LAND SALE COMPARISON CHART

SUBJECT: ±838.474 ACRES

SALE NO.	1	2	3	4	5	6	7
LOCATION	E. Margin of Nye Road, Wythe County	N. Margin of U.S. Route 11, Pulaski County	NE Margin of Ruebush Road, Pulaski County	NW Margin of Peppers Ferry Road, Wythe County	W. Margin of Cleburne Blvd, Pulaski County	S. Margin of James Hardie Way, Pulaski County	W. Margin of Cleburne Blvd, Pulaski County
DATE OF SALE	5/23/2002	11/7/2003	2/17/2005	3/30/2006	12/15/2006	11/8/2007	Listing (9/09)
SALE PRICE	\$660,010	\$191,000	\$2,178,000	\$1,900,000	\$1,200,000	\$332,952	\$4,256,000
SIZE (ACRES)	33.014	15.908	340.898	76.40	112.0	25.65	112.0
PRICE / ACRE	\$19,992	\$12,007	\$6,389	\$24,869	\$10,714	\$12,981	\$38,000
MARKET / CONDITION OF SALE	0.00	0.00	0.00	0.00	0.00	0.00	-20
ADJUSTED INDICATION PER ACRE	\$19,992	\$12,007	\$6,389	\$24,869	\$10,714	\$12,981	\$30,400
TIME ADJUSTMENT	+17	+13	+08	+05	+03	+01	0.00
TIME ADJUSTED INDICATION PER ACRE	\$23,391	\$13,568	\$6,900	\$26,112	\$11,035	\$13,111	\$30,400
PERCENTAGE ADJUSTMENTS							
LOCATION	0.00	0.00	0.00	-10	0.00	0.00	0.00
SHAPE/TOPOGRAPHY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SIZE	-50	-70	-10	-40	-30	-60	-30
FRONTAGE/ACCESS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZONING	0.00	+10	0.00	-10	-10	0.00	-10
OTHER	0.00	0.00	0.00	0.00	-10	0.00	-10
TOTAL ADJUSTMENTS	-50	-60	-10	-60	-50	-60	-50
ADJUSTED INDICATION PER ACRE	\$11,696	\$5,427	\$6,210	\$10,445	\$5,518	\$5,244	\$15,200

The six (6) sales and one listing charted on the preceding page are considered to be the most comparable of that information available in estimating the market value of the subject land.

As shown on the Land Comparison Adjustment Chart, various dissimilarity adjustments are reflected for the comparable land sales and these adjustments are believed to be representative of market behavior. These adjustments are briefly explained below:

CONDITION OF SALE: Sales 1 – 6 are considered to be arm's length conveyances with no unusual conditions of sale or financing, and therefore, no conditions of sale adjustments are necessary. Sale 7, the listing, is adjusted downward because properties usually do not sell for the full asking price.

TIME: Sales 1 – 6 are adjusted upward in varying degrees based on $\pm 3\%$ per year for real and inflationary increases through December 31, 2007. No adjustments for time have been made from January 1, 2008 to present due to the current downturn in the economy. Sale 7, the listing, did not require adjustment.

LOCATION: The slightly superior location of Sale 4 (in closer proximity to I-81) is adjusted downward. The remaining sales have similar locational influences as compared to the subject and no adjustments are needed.

SHAPE/TOPOGRAPHY: All seven (7) sales have similar overall shape and topography as compared to the subject and no adjustments were necessary.

SIZE: All seven (7) sales have smaller site sizes and are adjusted downward in varying degrees based on the "Economies of Scale" market premise, which states, that typically, larger sites tend to sell for less on a per unit basis than do smaller sites, and vice versa.

FRONTAGE/ACCESS: All of the sales have similar overall frontage and access as compared to the subject and no adjustments were made.

ZONING: The inferior agricultural zoning on Sale 2 is adjusted upward and the superior commercial zoning on Sales 4, 5 and 7 are adjusted downward.

OTHER: Downward adjustments were necessary on Sales 5 and 7 to reflect the rail siding available to these sites.

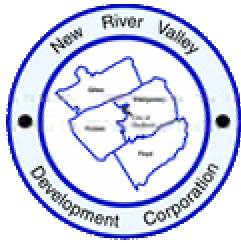
After all adjustments are made, a range of \$5,244 to \$15,200 per acre is reflected. With weighted consideration afforded Sales 2, 3, 4, 5 and 6, the adopted range of per unit indication is reflected to be \$6,000 to \$6,500 per acre. This calculates a land value range as follows:

± 838.474 acres @ \$6,000 per acre = \$5,030,844

± 838.474 acres @ \$6,500 per acre = \$5,450,081

ESTIMATED LAND VALUE - \$5,200,000 (R)

Value estimate assumes that adequate public water and sewer are available for any proposed development.



Virginia's First Regional Industrial Facility Authority

Proposal for:

***Comprehensive Insurance Coverage
and Exposure Evaluation***

November 2009

Prepared by
Jeffrey A. Cole, CPCU, ARM, AIC
Senior Vice President
Senior Consultant

5540 Falmouth Street; Suite 307
Richmond, Virginia 23230
(866) 511-1279 FAX (804) 288-5933

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VIRGINIA’S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

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Executive Summary

McNeary Inc. is being considered to provide a comprehensive insurance evaluation at the request of Joe Morgan, Executive Director of the Virginia's First Regional Industrial Facility Authority. It is his intent to have an objective insurance and risk management consulting firm with the expertise, experience and resources to provide this evaluation if approved by the board of directors.

The services presented in this proposal track with those evaluation areas described in our recent correspondence. McNeary, Inc. is proposing these services and fees with the intent to begin consultation immediately. Our consulting services are subject to the agreed upon fee specified on the signature page of this proposal. The fee for this project and subsequent on-going work will be provided based on the agreement with Pulaski County.

The work performed for Virginia's First Regional Industrial Facility Authority will be subject to the following McNeary, Inc. client service requirements:

- Provide our services to all clients on a timely basis;
- Empathetic to all the applicable issues facing our clients and act accordingly;
- Assurance our services are focused on our clients' expectations;
- Reliability on the quality of our services to our clients at all times;
- Responsive to our clients' needs whenever requested.

Scope of Work Requested

COMPREHENSIVE INSURANCE EVALUATION

Our Goal

Provide a timely comprehensive insurance evaluation report on insurance coverage and organizational risk.

Methodology

- Use McNary risk identification surveys.
- Review the current insurance coverage on all specified policies.
- Analyze selected third party contracts for specific insurance coverage requirements.
- Evaluate the requested information (see list).
- If applicable, use Marshall Valuation replacement cost estimates for commercially occupied property.
- Use Insurance Industry Data for Peer Analysis of retention/deductibles, limits, cost and type of program.

Our Core Services

The steps we use to accomplish the goals outlined above are:

- Interview specific individuals to identify risk areas and document recommendations on risk transfer.
- Review requested documents for risk areas and document recommendations on risk transfer.
- Analyze loss exposures and provide recommendations on how to treat them.
- Examine the feasibility of alternative risk financing techniques such as large deductibles, self-insurance, etc.
- Review all specified policies for pertinent exclusions, coverage omissions and unusual endorsements.
- Analyze current insurance policies for optional market availability.

Our Core Services...continued

- Review insurance coverage for alternative risk management applications. (captives, etc)
- Review select contractual insurance obligations required of Virginia's First Regional Industrial Facility Authority.
- Discuss applicable regulatory requirements and status of compliance.
- Review loss runs for unusual claims, claims frequency and claims severity.
- Discuss any uncovered claims in the past several years.
- Interview management for known and projected changes in assets, operations and services.
- Review and comment on insurer financial stability and applicable service capabilities.

Suggested Timetable

<u>Target Date</u>	<u>Action</u>	<u>Comments</u>
December 2	Receive Requested Information	Jeff Cole/McNeary
December 4	Begin exposure survey interviews	With Joe Morgan/VFRIFA
December 7	Begin policy analysis	Jeff Cole/McNeary
December 11	Complete risk analysis interviews	McNeary/VFRIFA
December 11	Complete policy analysis	Jeff Cole/McNeary
December 11	Complete analysis of requested documents	Jeff Cole/McNeary
December 17	Preliminary review of report	Conference Call
December 18	Submit copies of final report	Joe Morgan/VFRIFA
December 29	Board Questions & Comments	Jeff Cole/McNeary
December 31	Project completion	Begin on-going services

Experience of Firm

Founded in 1956, McNeary, Inc. is the largest privately-held independent risk management and consulting firm in the Southeast with offices in Charlotte and Richmond. McNeary, Inc. provides unbiased risk management and employee benefits advice and expertise on a fee basis without any conflict of interest. McNeary, Inc. is operates on the principle that businesses have a limited range of insurance knowledge and experience, and they need others with insurance expertise to give them insights and alternatives they never would have considered.

McNeary, Inc. provides consulting services on a continuous basis to more than 250 clients. We also perform numerous one-time projects for other clients, including opinions on their overall risk management and insurance programs, self-insurance feasibility studies, captive formation reviews, broker selection, bidding and loss trending reviews. We can function as your part-time insurance buyer and risk management consultant with you making the final decisions. By transferring these duties to McNeary, Inc., you can optimize your insurance and risk management expertise and effectiveness. McNeary, Inc. consulting team has a single purpose – **to provide each client with professional advice based on an impartial point of view.**

The Richmond office of McNeary, Inc. has a fully staffed office serving clients who have retained our services an average of ten years or more.

Capability and Skills

Our consulting staff includes nine professional consultants and three technical analysts located in Charlotte, North Carolina and Richmond, Virginia.

The Richmond, Virginia office will be responsible for servicing Virginia's First Regional Industrial Facility Authority. The Richmond office consists of two (2) Risk Management Consultants; one (1) Senior Analyst and one (1) Technical Analyst. The primary consultant and analyst assigned carry professional designations and maintain their knowledge through annual updates and continuing education.

Although various members of our staff may be called on to assist, the following individuals will have the primary responsibility to carry out our mission on your behalf. Attached you will find their individual resumes.

**Jeffrey A. Cole CPCU, ARM, AIC,
Senior Risk Management Consultant
Phone: (804) 288-5485 x302
Email: Colej@mcneary.com**

**Paula Ellis, Senior Analyst
Phone: (804) 288-5485 x309
Email: Ellisp@mcneary.com**

**Kelsey Thayer, Technical Analyst
Phone: (804) 288-5485 x300
Email: Thayerk@mcneary.com**

JEFFREY A. COLE, CPCU, ARM, AIC

SENIOR VICE PRESIDENT



Jeff Cole is a senior risk management consultant in McNeary's Richmond office. He is McNeary's Governmental Entity/Education practice leader. His consulting projects and services include managing insurance bidding, designing and implementing insurance and self-insurance programs, risk management audits, conducting broker relation/service selection reviews, facilitating enterprise risk management reviews and action implementation, cost of risk benchmark analysis and risk management retainer services. He has worked with most industries including service healthcare, retail/ wholesale/distribution, construction, manufacturing and public sector entities.

Cole graduated from the Pennsylvania State University with a Bachelor of Science Degree in Business Administration, concentrating in Insurance. He has taken and completed the following Insurance Institute of America courses (21):

- Insurance Institute of America courses (INS 21, 22 & 23)
- Associate in Risk Management (ARM)
- Chartered Property & Casualty Underwriter (CPCU)
- Associate in Claims (AIC)
- Associates in Reinsurance (Part ARe 144)

Cole has given several seminar/workshop presentations to associations including the CICV, VHCA, VSIA, state law makers and various industry groups on topics such as medical professional liability insurance, self-insured workers' compensation claims handling and an independent view of the changing commercial insurance market place.

He has over 32 years of experience in insurance and prior to being a risk management consultant, has worked for 3 insurers and has underwritten risks in all 50 states. He has been with McNeary since early 1998 and is a McNeary stockholder. He is also certified as a "Green Belt" in Six Sigma.

PAULA T. ELLIS, CISR

SENIOR ANALYST



Paula Ellis has been a property and casualty risk analyst with the McNeary Richmond office for over 28 years. Before beginning her career with McNeary, Paula worked for

The Travelers Insurance Company as a rater in the commercial lines department.

Paula's duties in the senior analyst position include preparation of insurance specifications and schedules; checking insurance policies, audits, and invoices for accuracy; loss and premium analysis; claims adjustment monitoring; and review of other insurance documents; and assisting clients with insurance and risk management problems. As a member of the Richmond team, she works with the consultants on commercial and manufacturing accounts, school boards, and governmental entities.

A graduate of Longwood University in Farmville, Virginia, with a Bachelor of Science degree, Paula has completed numerous insurance and risk management courses over the years. She holds the Certified Insurance Service Representative (CISR) professional designation from the National Alliance for Insurance Education and Research. She is also certified as a "Green Belt" in Six Sigma.

KELSEY E. THAYER

TECHNICIAN/OFFICE ADMINISTRATOR

Kelsey Thayer is the office administrator with McNeary.

Kelsey's duties include preparation of client reports and Insurance Reference Manuals, revising edits to insurance policies and audits, and assisting consultants and analysts with review of other insurance documents. As a member of the Richmond team, she works with the consultants and analysts on commercial and manufacturing accounts, school boards, and governmental entities.

A graduate of University of Massachusetts in Boston, Massachusetts, with a Bachelor of Arts degree, Kelsey has taken courses in INS 21 and completed courses in Advanced Word, Excel and Advanced Excel. Prior employment includes the University of Richmond and Main Street Law Offices.

Virginia Government Client References

To allow you to inquire how McNeary's services have helped our risk management clients, the following list reflects the names and phone numbers of our client references. Please contact these clients and ask any question that may assist you in considering the services offered by McNeary.

To allow you to inquire how McNeary's services have helped our other clients, the following list reflects some of our public entity clients (on-going and project work). Contact names and telephone numbers are available upon request.

<u>CLIENT</u>	<u>CLIENT SINCE</u>
Alexandria City Public Schools Alexandria, VA	1979
Bedford, City of Bedford, VA	1982
Blue Ridge Behavioral Healthcare Roanoke, VA	1999
Bristol Utilities Board, City of Bristol, VA	2004
Buena Vista, City of Buena Vista, VA	1984
Campbell County Schools Rustburg, VA	2005
Central Rappahannock Regional Library Fredericksburg, VA	1991
Chesapeake Bay Bridge & Tunnel Cape Charles, VA	1983

McNeary's Virginia Local Government Clients

<u>CLIENT</u>	<u>CLIENT SINCE</u>
Chesapeake Public Schools Chesapeake, VA	1977
Colonial Services Board Williamsburg, VA	2007
Essex County Tappahannock, VA	1987
Essex County Schools Tappahannock, VA	1987
Fairfax County Schools Fairfax, VA	2009
Franklin County Schools Rocky Mount, VA	2006
Fredericksburg, City of Fredericksburg, VA	1983
Halifax County Halifax, VA	2001
Hampton-Newport News CSB Newport News, VA	2005
Hampton Roads Sanitation District Virginia Beach, VA	2004

McNeary's Virginia Local Government Clients

<u>CLIENT</u>	<u>CLIENT SINCE</u>
Leesburg, Town of Leesburg, VA	1986
Louisa County Schools Mineral, VA	1991
Manassas, City of Manassas, VA	1983
Manassas Park, City of Manassas Park, VA	1984
Manassas Park City Schools Manassas Park, VA	1992
Martinsville, City of Martinsville, VA	1982
Martinsville City Schools Martinsville, VA	1978
Montgomery Co. Schools Christiansburg, VA	1999
Newport News Schools Newport News, VA	1984

McNeary's Virginia Local Government Clients

<u>CLIENT</u>	<u>CLIENT SINCE</u>
Northern Neck Regional Special Education Board Lottsburg, VA	1989
Piedmont Community Service Board Martinsville, VA	2002
Pulaski County Pulaski, VA	1989
Pulaski County Schools Pulaski, VA	1991
Roanoke City Schools Roanoke, VA	2005
Suffolk City Public Schools Suffolk, VA	1999
Tri-Counties Community Action Agency South Boston, VA	2006

➤ **SELLING INSURANCE STATEMENT**

McNeary Risk Management Consulting Division does not sell insurance to Virginia's First Regional Industrial Facility Authority and will not receive any compensation from any insurance companies, brokers, or agencies. McNeary will not receive any form of compensation for providing direct savings to Virginia's First Regional Industrial Facility Authority as a result of services performed.

Our Philosophy

■ Objectivity

Our staff includes highly-trained professionals in Property, Casualty and Group Insurance who understand the value of impartial advice. Objectivity, and our 53 years of experience, position us to provide you with a true Risk Management concept for your insurance needs.

McNeary constantly monitors the insurance industry to stay abreast of the most comprehensive and efficient coverage available to you each day. We can help you with specific projects as well as ongoing needs, providing you with the assurance that your risks are minimized and your coverage is maximized.

■ Savings

The team concept, through imagination, self-assumption of risk and cost-sensitive plan designs, provides our clients substantial savings. We have documented savings over the past seventeen years of more than \$206,000,000. The message is clear. Dollars saved versus service fees still produce a net savings for you.



**Over \$206,303,517 Saved in the Past 17 Years
(1991 – 2007)**

Consultant or Broker?

IMPARTIALITY: *As consultants, our income is derived from fees paid by our clients. The agent or broker is compensated by the insurance companies he represents. He has a dual obligation to his client and his company. Our only obligation is to you.*

MARKET SELECTION: *The agent or broker is confined to the insurance company markets he represents. We are not tied to any markets, and can seek the best alternatives available. We work with not only the stock and mutual companies making up the independent agency system, but also with the direct writing and/or exclusive companies such as Group Captives, Self Insured Groups, Cincinnati, Federated, Nationwide, Erie, Companion, etc.*

RISK MANAGEMENT: *We employ the risk management approach to all aspects of your program, including modifying, eliminating, and self-insuring those risks you may reasonably assume. Insurance is merely one device employed to meet your needs. Brokers derive their income from the insurance funding aspect, and reductions in this area result in reduced income to the broker.*

DUPLICATION OF SERVICE: *While there is some overlapping of services provided, we have an excellent track record of generating savings for our clients through the monitoring of invoices, audits, retro adjustments, claims, etc. In most cases, these were reviewed by the agent or broker before a submission to our clients. In this area alone, we have generated substantial savings for our clients over the years.*

NEGOTIATIONS: *By virtue of our technical expertise and knowledge of current market conditions, we can negotiate on your behalf and achieve savings or reduced proposed increases that you might not achieve otherwise. When a broker or agent negotiates for a reduction and is successful, his commission income is likewise reduced.*

THE BOTTOM LINE: *McNeary has provided Risk Management Consulting since 1956 and have documented client savings in excess of \$206,000,000 in the last 17 years.*

Agreement Document

The fee for the project services provided in this proposal:

Comprehensive Insurance Evaluation Project- Maximum fee of \$2000

McNeary Authorization:

Risk Management Consulting

Date

Virginia's First Regional Industrial Facility Authority Authorization:

Virginia's First Regional Industrial Facility Authority

Date

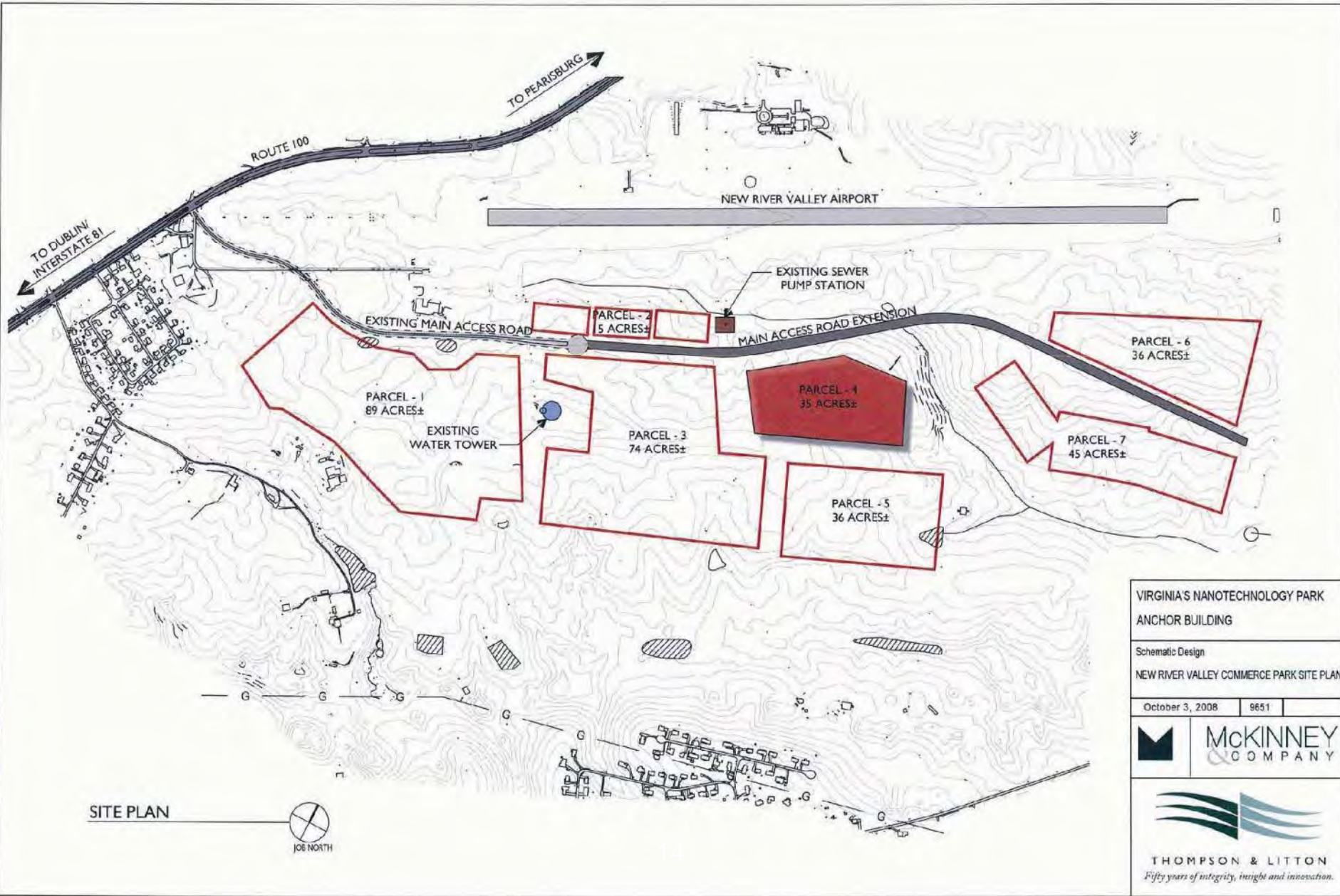
This consulting project service will be subject to the agreed upon timetable. Upon completion, our services will be available through the on-going agreement with Pulaski County.

Pulaski County:

Administrator

Date

NRV COMMERCE PARK SITE



SITE PLAN

VIRGINIA'S NANOTECHNOLOGY PARK
ANCHOR BUILDING

Schematic Design
NEW RIVER VALLEY COMMERCE PARK SITE PLAN

October 3, 2008 9651



NANOTECHNOLOGY PARK MASTERPLAN



Suggested Components for an Agreement for Participation in Project NEEMO
through the
Virginia's First Regional Industrial Facility Authority
Updated November 2009

Parties:

- Virginia's First Regional Industrial Facility Authority;
- Its member governments choosing to participate;
- NRV Commerce Park Participation Committee;
- Site owners for Project NEEMO locations; and
- Public and private entities not members of the Authority.

Context:

- Virginia's First was created to promote and undertake regional economic development.
- Project NEEMO (Nanomaterials for Energy, Environmental and Medical Operations) has identified a significant potential opportunity for a regional focus on Nanotechnology.
- NRV Commerce Park has an available site which, after significant strategic planning and preliminary site engineering, has been determined suitable to host the Virginia Nanotechnology Park.
- Site location efforts may determine other feasible sites for both start-up Project NEEMO production bays and training, as well as the long term Virginia Nanotechnology Park.
- Pulaski Town and County appropriated \$300,000 for the Project NEEMO feasibility study, which indicated the overall project has a regional impact and its implementation may be more feasible on a regional basis.

Authorization: Chapter 64 - Virginia Regional Industrial Facilities Act

Project Description:

Marketing for expansion of nanotechnology businesses within Virginia's First region;
 Upfit of New River Valley Competitiveness Center business incubator spaces with advanced manufacturing bay(s) for nanotechnology tenants;

Up-fit of other suitable business incubator spaces with advanced manufacturing bay(s) for nanotechnology tenants;

Support of advanced manufacturing training through universities and community colleges serving the Virginia's First region, including designation and up-fitting of interim training facilities;
 Development of the Virginia's Nanotechnology Park at the NRV Commerce Park or other 35 +/- acre site that may become available, including, but not limited to:

- Iconic Anchor Building of about 57,000 square feet: with
 - Tenant Space of about 27,000 square feet for:
 - - Product Development, Testing, & Production
 - - Advanced Manufacturing
 - Educational Wing of about 10,000 square feet for:
 - - Advanced Materials Workforce Training Center
 - - Community College Integrated Curriculum
 - Shared Building Support of about 20,000 square feet to Promote Synergy
 - Administration and
 - Iconic Architectural Atrium
- Site Grading for Anchor Building and Two to Eight Advanced Manufacturing Graded Building Pads
- Industrial Access Road (typical 4 lane divided highway layout)
- Parking for Anchor Building

Extension of road, telecommunications, water, sewer and related infrastructure to support Virginia's Nanotechnology Park or other site(s) that may become available; and

Other nanotechnology business cluster promotion and facility development that may evolve through Project NEEMO.

Project Undertaken in Name of the Authority:

While the project is undertaken by VA's 1st as to title and related oversight, direction for the project development decisions is assigned to the participants.

Additional Phases:

Project NEEMO may expand into additional phases not now anticipated. Should the project expansion entail additional financing, beyond that agreed to in the initial phase, participating members may invest in the additional phases. No initial members will be required to additional investment without their individual consent. Additional investors not included in the initial investment will have no equity in the initial project.

Project Participation Committee:

The Project NEEMO Participation Committee shall have sole responsibility for decisions regarding construction, management and overall implementation of the project. Membership in the Participation Committee shall consist of one representative for each participating governmental jurisdiction, regardless of equity ownership, and each private entity with a minimum of ten percent (10%) equity ownership. The affairs of the Committee will be conducted by the majority of the shares entitled to vote and sixty percent (60%) of the participating governmental jurisdictions.

Annual Budgets and Deficits:

Following formation of the Participation Committee and by March 1 of each subsequent year the Committee will submit an operating and capital budget for the fiscal year beginning the following July 1, which budget will be adopted prior to July 1. The offering share price, to be paid annually by Participants, will include annual debt service, including financing costs and expenses, as well as administrative costs and expenses to operate the Project. No additional costs or expenses of the Project, including administrative expenses shall be charged to any Participant without the express written consent of that Participant.

Financing:

Financing for the Project will be arranged in the name of the Authority, but all loan obligations for the Project shall be the sole responsibility of the Committee and the Project Participants, in accordance with the Agreement for Project Based Financing by Virginia's First Regional Industrial Facility Authority, dated August 8, 2001. Without its express consent, a Participant will not be responsible for any portion of loan obligations or expenses in excess of it is proportional interest in the total outstanding shares of the Project.

Limitation of Liability:

Participants will bear all responsibility for Project obligations, with no responsibility born by VA's 1st members that choose not to participate.

Contributions and Ownership:

Equity ownership will be offered in 300,000 shares, with 20,000 shares offered to each of the 15 VA's 1st member local governments. Share not taken by VA's 1st member governments will be offered to other public and private investors. Commerce Park participants may choose to contribute equity in the site, based on shares of ownership of the overall Commerce Park site, in lieu of cash or pledge of debt service.

Participants May Sell Shares:

Subject to consent of the Participation Committee and any bondholders or other secured creditors, members may sell shares, first by offering such first to other Committee members and then to other public or private investors.

Financing Resources:

Financing of the project is expected to be a combination of grant and loan sources. Participants will be required to share in the annual debt service and cost of funds borrowed to complete the project. The total estimated project cost ranges from \$20.9 to \$25.8 million, including, but not limited to the following components:

• Initial Feasibility Study Investment	\$300,000
• <u>Incubator Bay(s)</u> Up-fit	\$50,000
• Commerce Park Land Purchase	\$350,000
• Access Road Extension	\$1,200,000
• Site Development	\$2,800,000 to \$7,400,000
• Multi-Tenant Production Area*	\$10,600,000
Subtotal	\$15,000,000 to \$19,900,000
• Educational Wing*	\$5,900,000
Total	\$20,900,000 to \$25,800,000

*Includes approximately ½ of total Support/Administration area

Revenue sources anticipated include:

• Economic Development Administration (EDA)	\$3,000,000 to \$7,000,000
• Commerce Park Site Contribution	\$169,843 to \$350,000
• <u>Initial Feasibility Study Match</u>	<u>\$0 to \$300,000</u>
• Virginia Department of Transportation	\$450,000
• Shareholders	\$6,000,000 to \$12,000,000
• Commonwealth of Virginia	\$7,000,000 to \$14,000,000

Depending on grant availability, phasing will be needed to allow capital facilities to match available funding. Phasing will reduce some efficiency available.

The Commerce Park Site Contribution is anticipated to be a combination of lease for the anchor tenant site of the Nanotechnology Park and a combination of lease or title transfer for the two to eight advanced manufacturing buildings to be owned and occupied by independent businesses. Commerce Park member governments are expected to individually decide whether to invest their share of equity in the site in Project NEEMO shares or to apply their share of the site lease or purchase proceeds to other purposes.

As each phase is confirmed, a not to exceed annual per share price will be determined. Based on the \$6 to \$12 million shareholder contribution estimated above, financed on average for thirty years and six percent (6%) annual interest, the annual per share price would range between \$1.50 and \$3.07. Attached is a table describing the per share price calculation.

Alternate sites may be determined that would significantly alter the scope of the required investment. As of November 2009, generic site requirements for both the incubator and full scale Project NEEMO locations are being determined by Thompson and Litton Engineers. A business plan pro-forma is also being developed by the Virginia Tech Office of Economic Development that will address the Commerce Park site as well as a more generic site.

Compliance with Development Requirements of Host Sites:

Nanotechnology businesses locating the Park would be expected to enter performance agreements to insure coverage of any incentives and provide long term benefit to the

participation local governments. As with all Commerce Park businesses, approval of location by the host locality would be required. Similar host approval is expected for alternate sites.

Revenue Sharing:

As with the general Commerce Park occupants, machinery and tools taxes of Nanotechnology Park occupants, is planned for revenue sharing, under the terms of the Commerce Park Participation Agreement. Also, as with Commerce Park occupants, revenue sharing of real estate and business personal property taxes is planned for incentives during the first seven years of individual business occupancy. Following the initial seven year incentives use of real estate and business personal property, it is anticipated those tax revenues would be shared by the Nanotechnology Park Participants. Application of shared tax revenues to project expenses would occur first, prior to any residual tax revenue being shared by participants in proportion to share equity. Any net gain from sale or lease of Nanotechnology Park building sites, as well as ownership equity in the Anchor Building, would accrue to the Nanotechnology Park Participants.

Site Acquisition Option

To facilitate planning a site option of a minimum of two years is desired. Renewal of the option on an annual basis is also desirable. An option price of \$350,000 is proposed for the Commerce Park site identified by the initial feasibility study.

Withdrawal as a Participating Jurisdiction:

Once obligations have been occurred by the Authority for the Project, Participants may withdraw only as other Participants may by sixty percent (60%) majority agree, subject to concurrence of all secured debtors and bondholders.

Annual Appropriations:

Pledges of participating local governments will be considered binding obligations, subject to annual appropriation.

Amendment:

Amendment to the Participation Agreement shall be by an affirmative vote of two-thirds of a duly determined quorum of members and a majority of voting shares, except that additional annual share cost to participants will require the consent of each Participant.

Schedule: An initial committee to compose a Participation Agreement for Project NEEMO was approved at the July 8, 2009 Annual Meeting of VA's 1st. Each VA's 1st local government was requested to designate a representative to the initial committee. These suggested components of the Participation Agreement were reviewed at the August 12 Commerce Park Participation Committee meeting. Following the August 12 review, staff was requested to make suggested changes to the components for consideration at the November 2009 Commerce Park Participation Committee meeting. The initial committee report is planned for submittal to the full VA's 1st Board at the January 13, 2010 meeting. Prior to January 2010 VA's 1st meeting, member governments, as well as other potential public and private investors, will be requested to indicate support for investing in Project NEEMO.

NEEMO Project Summary

November 12, 2009

Overview

In the fall of 2008 Virginia Tech's Office of Economic Development (OED) and Business Technology Center (BTC) conducted an industry cluster study examining the prospects for a proposed nanotechnology park in Pulaski County. The study identified almost 300 U.S. nanotechnology firms that are offering their products in the commercial marketplace and are potential targets for relocation to Virginia. The study also found that the number of competitors to a nanotechnology business park, specifically targeting companies at this stage of development, is extremely limited.

Such a business park would build on existing activities within Virginia Tech's research program. For example, the Institute for Critical Technologies and Applied Sciences has major initiatives on the use of nanomaterials in biomedicine and sustainable energy applications. Virginia Tech's Nanoscale Characterization and Fabrication Laboratory could also provide support to the planned activities at the business park. Further, the focus for the proposed park would complement Virginia Tech's internationally-renowned Corporate Research Center (CRC). The Pulaski facility would focus on technology deployment in the commercial-scale production of nanomaterials for manufacturing processes. This contrasts with the CRC and its focus on technology development and the earlier stages of the commercialization process.

Through a site assessment study by Thompson-Litton, The New River Valley Commerce Park in Pulaski County has been identified as a possible location for the proposed business park. The park concept, visualized through concept design also completed by Thompson-Litton, is now being called NEEMO, an acronym for nanomaterials, energy, environment and medical operations, all markets that would be supported by companies in the park.

Since the completion of the initial studies, the New River Valley Economic Development Alliance (NRVEDA) has committed \$10,000 towards a marketing outreach effort targeting the 300 firms identified in the original report. The work was undertaken in cooperation with regional stakeholder Virginia's First Regional Industrial Facility Authority, which owns the Commerce Park site. The outcomes from this effort will be completed soon and made available to OED and BTC.

In order to effectively seek funding for the construction of the first phase of the nanotechnology park, the project requires a realistic business plan that quantifies both the potential benefits that would accrue to the area from such a park and the resources needed to make it a success. As outlined in the proposal that follows OED and BTC will develop such a business plan for NEEMO. Additionally, they will update the existing market analysis and convene a new advisory committee to provide input and guidance on the study.

Project Milestones

Step 1: Convene Project Advisory Committee, Month 1

OED, with support from BTC, will:

- present project work plan,
- review current status of NEEMO, and
- assess current status of technology/industry.

Step 2: Conduct Market Analysis, Months 1 and 2

OED, with support from BTC, will:

- assess the information obtained by NRVEDA through the marketing outreach to firms identified in the 2008 cluster study,
- provide additional updates to the information on firms identified in the cluster study,
- determine the status of potential competitors identified in the 2008 study, and
- evaluate recent developments in nanotechnology field.

Step 3: Prepare Business Plan Synopsis, Month 2

BTC, supported by OED, will prepare a business plan synopsis for NEEMO. This will include:

- the park's proposed resource, products and services offerings, and their alignment with state and regional agency objectives,
- financial benefits the park will provide to the region's economy,
- financial projections for the park based on facility funding options and operational/management structures.

Step 4: Reconvene Project Advisory Committee, Month 3

OED, with support from BTC, will:

- present preliminary findings and
- evaluate partnership potential with NEEMO

Step 5: Prepare Draft Report, Months 3 and 4

BTC will prepare a draft business plan that will include supporting financial projections and OED will prepare a draft report and presentation, all for review by the client.

Step 6: Complete Final Report, Month Four

By February 15, 2010, a final report and power point presentation will be delivered to the client.

Background

Virginia Tech

Founded in 1872 as a land-grant college, Virginia Tech has grown to become the most comprehensive university in the Commonwealth of Virginia. Today, Virginia Tech's eight colleges are dedicated to putting knowledge to work through teaching, research, and outreach activities and to fulfilling its vision to be among the top 30 research universities in the nation. At its 2,600 acre-main campus located in Blacksburg and other campus centers in Northern Virginia, Hampton Roads, Richmond, and Roanoke, Virginia Tech enrolls more than 28,000 full- and part-time undergraduate and graduate students from all 50 states and more than 100 countries in 170 academic degree programs. Approximately another 40,000 persons attend continuing education programs each year.

Virginia Tech's academic Colleges include: Agriculture and Life Sciences; Architecture and Urban Studies; Liberal Arts and Human Sciences; College of Business; College of Engineering; College of Natural Resources; College of Science; and College of Veterinary Medicine. On the postgraduate level, the University confers forty percent of the doctoral degrees given in Virginia and offers eighty-eight masters and doctoral degree programs, along with a professional degree from the Virginia Maryland Regional College of Veterinary Medicine.

Virginia Tech has also become the state's leading research institution with a \$300 million per year research program, placing it among the nation's top 50 higher education institutions in terms of research expenditures. Virginia Tech faculty and students are involved in funded research projects that are producing the ideas and innovations that are the raw materials of today's economy. These projects are conducted in the research centers located in the Colleges across the campus and in the interdisciplinary research centers located on campus or in the University's research park.

Virginia Tech also believes that public service is among its highest callings of a land-grant university. The University serves over 1,000,000 Virginians each year through a wide variety of public service projects. Current University projects are spawning economic development, helping global marketing efforts, providing leadership training, investigating better uses for strip-mined lands, and helping clean up the Chesapeake Bay. Most importantly, the University's public service commitment helps instill in students the "Ut Prosim" ethic that tells the world they are committed to serving their communities.

The Office of Economic Development

Under the leadership of Dr. Ted Settle, the Virginia Tech Office of Economic Development (OED) reports to Dr. John E. Dooley, Vice Provost for Outreach and International Affairs. The purpose of OED is to connect the academic resources and facilities of the university with the economic development needs of companies, agencies, communities, and non-profit organizations across the Commonwealth of Virginia. OED provides training, applied research, and technical

assistance services to increase clients' abilities to prudently manage economic change and improve their quality of life.

OED is supported through contracts with numerous local and regional governments, federal and state government agencies, non-profits, and private sector businesses. Past and current clients include the United States Economic Development Administration, Appalachian Regional Commission, USDA Rural Development, US Small Business Administration, Virginia Department of Housing and Community Development, Virginia Economic Development Partnership, Virginia Department of Business Assistance, Virginia Economic Developers Association, National Council for the Traditional Arts, Virginia Center for Innovative Technology, Virginia Coalfield Economic Development Authority, New River Valley Economic Development Alliance, and cities, counties and towns around Virginia.

Business Technology Center

The Virginia Tech Business Technology Center (BTC) was established in the early 1990's to help emerging and evolving technology-based Virginia businesses assess, quantify and develop opportunities based on their products and/or services and customers' needs. The BTC is a Center within the Pamplin College of Business at Virginia Tech; and provides market research, market opportunity assessments, competitive analyses, business plans and the associated financial proformas and assistance in market strategy development. Clients include both commercial and not-for-profit businesses.

The BTC provides free consulting to over 100 entrepreneurs each year; and completes about twenty in-depth studies that are paid for by clients. Since the BTC receives supporting funds from Virginia Tech colleges and offices as well as local governments and economic development groups, it is able to provide its in-depth studies at a minimal cost to the clients while maintaining a break-even operation.

In its studies, the BTC provides one-on-one consulting to entrepreneurs and businesses using its own staff as well as Virginia Tech students and faculty. Student efforts within projects are focused on data gathering and analysis; and they work is under the direction of the BTC Director.

Key Project Personnel

Dick Daugherty is the director of the Business Technology Center. Dr. Daugherty has over 25 years experience in leading new businesses and corporate ventures, new product developments and technology management activities. He has led corporate ventures at Alcan, Atlantic Richfield and Exxon Enterprises; was a Director of Alcan Aluminum's downstream R&D Laboratory and Innovation Program; and established a competitive intelligence unit at Alcan that provided technology and business assessments for business strategy formulation, competitive pricing structure development and technology program assessment. Before becoming the Director of the BTC, Dr. Daugherty taught courses in corporate strategy, project management and small business consulting at Virginia Tech.

David Nutter has been helping promote and market Virginia Tech for 20 years. He joined the Office of Economic Development having served as the university's director of marketing and strategic communications and director of college and media relations. His efforts have brought national and international attention to the university including significant coverage in the New York Times, Wall Street Journal, NBC Nightly News, BBC and the London Times.

Some of his recent work includes a study of the prospects of developing a nanomanufacturing industry cluster in the New River Valley, youth entrepreneurship in rural communities and an asset assessment of the emerging medical technology cluster in the Roanoke and New River Valley.

During his career he has developed a strong background in all levels of government at the local, state and federal levels. He worked in both communications and policy positions at the U.S. Department of Agriculture and the Department of Health and Human Services.

Nutter served as Virginia Tech's representative on the board of the then Montgomery County / Christiansburg Chamber of Commerce and chaired its government relations committee. He was elected to the Virginia General Assembly in 2001, serving on the Science and Technology Committee; the Health, Welfare and Institutions Committee; and the Militia, Police and Public Safety Committee. He founded and chairs the Tourism Caucus in the Virginia General Assembly.

John Provo is the Associate Director of OED. Provo works on projects with communities, agencies, and companies around Virginia. Some of his recent work includes a study of the prospects for development of a nanomanufacturing industry cluster in the New River Valley, research into opportunities to promote innovation in traditional industries in the Alleghany-Highlands, market analysis of opportunities for Virginia communities and companies in farmshoring also know as domestic outsourcing. He led planning and facilitation processes in communities such as Galax, Martinsville, Page County, and on the Eastern Shore.

Provo received his Ph.D. from the School of Urban Studies and Planning at Portland State University. He received a master's degree in Urban and Regional Planning from Virginia Commonwealth University in 1999 and a bachelor's degree in government from the College of William and Mary in 1989. While in Richmond he worked for Virginia's Secretary of Commerce and Trade on implementation of revisions to the state's workforce development system. He presents regularly before scholarly and professional associations and maintains affiliations with the American Planning Association, Association of Collegiate Schools of Planning, University Based Economic Development Association, and Virginia Economic Developers Association.

NEW RIVER VALLEY PLANNING DISTRICT COMMISSION

6580 Valley Center Drive, Suite 124
Radford, Virginia 24141

Phone: (540) 639-9313 Fax: (540) 831-6093 E-Mail: nrvpdc@nrpdc.org Website: www.nrvpdc.org



Kevin R. Byrd, AICP
Executive Director

Memorandum

Date: October 27, 2009
To: Commerce Park Infrastructure Improvements Project Team
From: Christy Straight
Subject: Update on project

The meeting for Wednesday, October 28 is cancelled. You are receiving this progress update in lieu of that meeting.

❖ Environmental clearances

Dr. Boyd has submitted the Phase II archaeological report for the Commerce Park site recommended for Phase II investigation during the Phase I survey. The site was determined eligible for the National Register of Historic Places. Because this would require further archaeological work and costs, Lowell met with Dr. Boyd in the field to identify a suitable alignment to route the waterline around the site and has prepared documentation to the effect that design is revised with notes for the contractor to avoid the archaeological site.

Dr. Boyd will conduct investigations at the Akers property on November 7 and 8. Within a few days before that, Lowell will have a crew complete staking of the current alignment and the outer limit of the possible alignment for Dr. Boyd's reference.

The mussel survey contractor has completed part of the field work over the weekend and anticipates completing the survey by the end of this week.

There has still been no reply from USFWS regarding the response to their comments. Christy will follow up with DGIF and the bird habitat assessment contractor on DGIF's comments regarding construction restrictions at the Commerce Park.

❖ Easements, property acquisition

Dave has met with the owner of the Baker property (new easement) to go over the drawings. That state has agreed to the drawing change that will cross their driveway to accommodate the valves added to the design. The VDOC representative has notified Dave the decision regarding compensation for their easement is in the governor's office for consideration.

Dave has been conducting courthouse work and meeting with Ronnie to go over a few drawings. He plans to have Tom McCarthy review VDOC's proposed easement language regarding line relocation responsibilities.

❖ **Rural Development loan**

The engineers are revising the PER and plan to submit the revision soon.

❖ **Engineering: design, etc.**

The Radford water treatment plant survey has been completed and the new alignment is being designed. For the Radford easements, the engineers are working with Jim Hurt to finalize a decision on the route through the Radford water treatment plant. Therefore, the Radford easement, and concrete plant easements are not being further finalized until the City has concurred with the recommended route or a different preferred route. Contract 2 (the 24-inch line) will not be submitted to agencies until the City of Radford easement and pipe route have been determined. That contract may not be released this week, as a result.

The engineers are working on the corrosion issue with ductile iron pipe and getting an estimate for the testing. If the cost of sampling is more than a reasonable amount, the engineers anticipate recommending the specifications require the ductile iron pipe to be covered/coated for protection.

Contracts 5 and 6 (the Commerce Park on-site water and sewer and force main have all approvals except the official letter approval from the PSA.

❖ **Next meeting**

The next meeting is scheduled for November 11, 2009 3:00 pm at the Competitiveness Center Training Room.

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Kevin R. Byrd, AICP
Executive Director

Memorandum

Date: October 20, 2009
To: Commerce Park Infrastructure Improvements Project Team
From: Christy Straight
Subject: Summary of October 14, 2009 project meeting

Attendees

Pete Huber, PSA	Kevin Byrd, NRVPC	Gary McCollum, DAA
Ronnie Coake, PSA	Dave Ratcliff, NRVPC	Lowell Bowman, A&A
Christy Straight, NRVPC	Rick DiSalvo, DAA	Theron Barrineau, A&A

Summary

❖ EDA grant

The quarterly performance report was submitted and approved by EDA. The financial report is submitted semi-annually and is coming due for the period April 1 through September 30. Christy will coordinate with Diane and Brenda at the county to submit the required information.

❖ Environmental clearances

Christy advised the group Dr. Boyd will be available to conduct further investigation at the Akers property in November. He will need the current centerline staked and would like the preferred revised line to be staked as well. Discussion of the width of line's land disturbance followed. Pete asked that Christy pass on to Dr. Boyd the information that the actual disturbed width will be no more than eight feet. Lowell stated he had sent the confirmation letter to Dr. Boyd on the revised alignment at the Commerce Park Phase II site. This will be included in the documentation being sent to DHR.

Proposals for the mussel survey have been received and reviewed by Brian Watson (DGIF) for completeness of scope. Christy provided his comments to Pete, who recommended going with the local consultant who also had the lower price and advised confirming that the consultant can complete the work by October 31.

❖ Easements, property acquisition

Dave e-mailed to the VDOC representative the code reference that appears to allow access the state land without permission. She has reviewed and forwarded the information to her

managers with a recommendation to accept the easement at no cost. Dave does have a concern with one paragraph in VDOC's agreement which would require the grantee to relocate the line at their expense should VDOC request it at a later date.

The Radford easements are being prepared by Anderson to reflect the alignment changes.

Checks have been paid to property owners who have signed easements. Dave is still negotiating with BGB. Adding the valve location at old Route 11 has added another easement which Anderson is preparing. Donna Akers has signed the entry permit that will allow the surveyors and archaeologist to continue working on a realignment on her property.

❖ **Rural Development loan**

The engineers are revising the PER and plan to submit the revision next week.

❖ **Engineering: design, etc.**

Two contracts, the 12-inch waterline and the water tank have been revised and resubmitted based on comments received from reviewing agencies. The pumps and controls were submitted the day of the meeting. The 24-inch line design is not complete yet, but should be ready for resubmission by middle of next week. The Radford water treatment plant survey has been completed and the new alignment is being designed. The Akers adjustment shouldn't matter to the agencies reviewing.

Gary asked about a set of Contract 1 going to John Ayers being sent to county administration. Ronnie said it will probably need to be delivered somewhere else, to contact Tasha for a new address.

Pete asked if the tank readings can be posted to the internet and transmitted to a receiver. Gary said the electrical engineer has indicated that should be compatible with the design. Rick has requested that Joe and John discuss it to be sure of this.

❖ **Other business to discuss**

Gary mentioned the response to the water agreement may need to be updated before receiving VDH approval.

An operational meeting with the PSA and Radford is needed to go over the design. Ronnie still thinks devices are needed in connecting the system. He also has concerns about the Morgan's Cut tank when the Radford pumps are shut down; the altitude valve is pressure-operated with a small line feeding the tank.

Ronnie asked which pipe is being specified and asked that soil testing be required along all ductile iron pipe because he has had problems with corrosion of that piping in certain soils.

❖ **Next meeting**

The next meeting is tentatively scheduled for on October 28, 2009 at 1:30 pm at the Competitiveness Center Training Room. Christy will gather information Friday, October 23, to update the group on progress and any issues. A determination on whether to meet will be made on Monday, October 26.

Project Schedule for
Pulaski County PSA/NRV Commerce Park
Infrastructure Improvements

	Activity Name	Duration (Work Days)	Start Date	Finish Date	Revised Duration (Work Days)	Revised Start Date	Revised Finish Date	% Complete	Resources Assigned	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14
										Oct 2009				Nov 2009				Dec 2009				Jan 2010				Feb 2010			
										4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14
1	Grant Award	0.00	9/18/08	9/18/08	0.00	9/18/08	9/18/08	100%																					
2	EDA Grant Administration	467.00	1/15/09	10/29/10	415.00	3/30/09	10/29/10	28%																					
3	Quarterly performance report	0.00	1/15/09	1/15/09	0.00	4/6/09	4/6/09	100%	NRVPDC																				
4	Financial status report	24.00	3/30/09	4/30/09	24.00	3/30/09	4/30/09	100%	NRVPDC																				
5	Quarterly performance report	0.00	4/15/09	4/15/09	0.00	4/15/09	4/15/09	100%	NRVPDC																				
6	Quarterly performance report	0.00	7/15/09	7/15/09	0.00	7/15/09	7/15/09	100%	NRVPDC																				
7	Financial status report	23.00	9/30/09	10/30/09	23.00	9/30/09	10/30/09	0%	NRVPDC																				
8	Quarterly performance report	0.00	10/15/09	10/15/09	0.00	10/15/09	10/15/09	100%	NRVPDC																				
9	Quarterly performance report	0.00	1/15/10	1/15/10	0.00	1/15/10	1/15/10	0%	NRVPDC																				
10	Financial status report	24.00	3/30/10	4/30/10	24.00	3/30/10	4/30/10	0%	NRVPDC																				
11	Quarterly performance report	0.00	4/15/10	4/15/10	0.00	4/15/10	4/15/10	0%	NRVPDC																				
12	Quarterly performance report	0.00	7/15/10	7/15/10	0.00	7/15/10	7/15/10	0%	NRVPDC																				
13	Financial status report	22.00	9/30/10	10/29/10	22.00	9/30/10	10/29/10	0%	NRVPDC																				
14	Quarterly performance report	0.00	10/15/10	10/15/10	0.00	10/15/10	10/15/10	0%	NRVPDC																				
32	Environmental surveys for EDA conditions	98.00	4/15/09	8/28/09	157.00	4/15/09	11/19/09	69%																					
33	Bird species habitat assessment (HA)	33.00	4/30/09	6/15/09	56.00	4/30/09	7/16/09	100%	Consultant																				
34	Va Fringed mountain snail HA	36.00	4/15/09	6/3/09	78.00	4/15/09	7/31/09	100%	Consultant																				
35	Archaeological survey, Phase I	32.00	5/1/09	6/15/09	49.00	5/1/09	7/8/09	100%	Consultant																				
36	Archaeological survey, Phase II	15.00	8/10/09	8/28/09	45.00	8/10/09	10/9/09	50%	Consultant																				
37	Smooth coneflower survey	32.00	6/10/09	7/23/09	32.00	6/10/09	7/23/09	100%	Consultant																				
38	Submit reports to agencies	0.00	6/15/09	6/15/09	0.00	7/27/09	7/27/09	75%	NRVPDC																				
39	Agency approvals	30.00	6/15/09	7/24/09	84.00	7/27/09	11/19/09	0%	DGIF, DHR, USFW																				
40	Mitigation (if needed)																												
41	EDA Conditions	1,304.00	10/1/08	9/30/13	1,304.00	10/1/08	9/30/13	57%																					
42	Prior to plans, specs approval	204.00	10/1/08	7/13/09	297.00	10/1/08	11/19/09	60%																					
43	12.FAA approval of tank	24.00	6/1/09	7/2/09	24.00	6/25/09	7/28/09	100%	NRVPDC																				
44	13. USFWS approval	169.00	11/19/08	7/13/09	262.00	11/19/08	11/19/09	0%	NRVPDC																				
45	14. DGIF approval, mitigation of snail	169.00	11/19/08	7/13/09	262.00	11/19/08	11/19/09	100%	NRVPDC																				
46	15. DGIF approval directional drilling (no longer applicable)	169.00	11/19/08	7/13/09	262.00	11/19/08	11/19/09	100%	NRVPDC, DAA																				
47	16. DGIF approval mitigation of bird species	169.00	11/19/08	7/13/09	262.00	11/19/08	11/19/09	50%	NRVPDC																				

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										Oct 2009				Nov 2009				Dec 2009				Jan 2010				Feb 2010										
										4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14							
48	17. DGIF approval of bird species assessment	169.00	11/19/08	7/13/09	262.00	11/19/08	11/19/09	50%	NRVPDC																											
49	18. USDA approval, Farmland Preserv. Act	204.00	10/1/08	7/13/09	22.00	10/1/08	10/30/08	100%	NRVPDC																											
50	19. DHR approval, archaeo survey	169.00	11/19/08	7/13/09	262.00	11/19/08	11/19/09	40%	NRVPDC																											
51	21. UST removal	61.00	4/20/09	7/13/09	92.00	4/20/09	8/25/09	100%	Virginia's First																											
52	Prior to Bid advertisement	109.00	3/24/09	8/21/09	148.00	3/24/09	10/15/09	25%																												
53	7. Title Opinion...	109.00	3/24/09	8/21/09	148.00	3/24/09	10/15/09	42%																												
58	Prior to 1st Disbursement...	15.00	3/27/09	4/16/09	24.00	3/23/09	4/23/09	100%																												
61	Prior to Final Disbursement...	0.00	9/30/13	9/30/13	0.00	9/30/13	9/30/13	0%																												
64	PER	12.00	3/26/09	4/10/09	136.00	3/26/09	10/1/09	85%	DAA Engineering																											
65	Radford/PSA water agreement	304.00	9/2/08	10/30/09	304.00	9/2/08	10/30/09	0%																												
66	Threatened mussels survey	86.00	9/25/09	1/22/10	86.00	9/25/09	1/22/10	25%	NRVPDC, consult																											
67	Engineering Design	128.00	1/30/09	7/28/09	215.00	1/30/09	11/26/09	76%																												
68	Contract negotiation	37.00	1/30/09	3/23/09	37.00	1/30/09	3/23/09	100%	Pulaski PSA, DAA																											
69	EDA A/E contract award approval	12.00	3/27/09	4/13/09	8.00	3/27/09	4/7/09	100%	Pulaski PSA, EDA																											
70	Easements	35.00	3/24/09	5/11/09	35.00	3/24/09	5/11/09	45%	NRVPDC, DAA En																											
71	Environmental approvals submitted to EDA	0.00	7/6/09	7/6/09	0.00	11/19/09	11/19/09	0%	NRVPDC																											
72	12-inch Force Main	82.00	4/6/09	7/28/09	169.00	4/6/09	11/26/09	77%																												
73	Final design	53.00	4/6/09	6/17/09	101.00	4/6/09	8/24/09	95%	DAA Engineering																											
74	Submit plans for regulatory review	12.00	6/18/09	7/3/09	25.00	5/5/09	6/8/09	100%	DAA Engineering																											
75	Pulaski PSA plan approval	0.00	7/6/09	7/6/09	0.00	8/24/09	8/24/09	50%																												
76	EDA approval of plans, specs	11.00	7/8/09	7/22/09	32.00	10/7/09	11/19/09	0%	EDA																											
77	Construction documents	5.00	7/22/09	7/28/09	5.00	11/20/09	11/26/09	90%	DAA Engineering																											
78	On-site Water and Sewer	79.00	4/6/09	7/23/09	169.00	4/6/09	11/26/09	76%																												
79	Final design	53.00	4/6/09	6/17/09	108.00	4/6/09	9/2/09	95%	DAA Engineering																											
80	Permitting	79.00	4/6/09	7/23/09	108.00	4/6/09	9/2/09	75%	DAA Engineering																											
81	Submit plans for regulatory review	12.00	6/19/09	7/6/09	16.00	7/17/09	8/7/09	100%	DAA Engineering																											
82	Regulatory agency plan approval	0.00	7/6/09	7/6/09	0.00	9/2/09	9/2/09	50%																												
83	EDA approval of plans, specs	11.00	7/8/09	7/22/09	32.00	10/7/09	11/19/09	0%	EDA																											
84	Construction documents	0.00	7/22/09	7/22/09	5.00	11/20/09	11/26/09	90%	DAA Engineering																											
85	24-inch Water Main from Radford to Route 11	78.00	4/6/09	7/22/09	168.00	4/6/09	11/25/09	76%																												

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										Oct 2009				Nov 2009				Dec 2009				Jan 2010				Feb 2010			
										4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14
86	Final design	53.00	4/6/09	6/17/09	110.00	4/6/09	9/4/09	95%	DAA Engineering																				
87	Permitting	78.00	4/6/09	7/22/09	110.00	4/6/09	9/4/09	75%	DAA Engineering																				
88	Submit plans for regulatory review	12.00	6/19/09	7/6/09	15.00	8/17/09	9/4/09	100%	DAA Engineering																				
89	Regulatory agency plan approval	0.00	7/6/09	7/6/09	0.00	9/4/09	9/4/09	50%																					
90	EDA approval of plans, specs	11.00	7/8/09	7/22/09	32.00	10/7/09	11/19/09	0%	EDA																				
91	Construction documents	0.00	7/22/09	7/22/09	5.00	11/19/09	11/25/09	90%	DAA Engineering																				
92	12-inch Water Main from Highland Park	78.00	4/6/09	7/22/09	169.00	4/6/09	11/26/09	78%																					
93	Final design	53.00	4/6/09	6/17/09	110.00	4/6/09	9/4/09	95%	DAA Engineering																				
94	Permitting	78.00	4/6/09	7/22/09	100.00	4/6/09	8/21/09	75%	DAA Engineering																				
95	Submit plans for regulatory review	12.00	6/19/09	7/6/09	44.00	6/24/09	8/24/09	100%	DAA Engineering																				
96	Regulatory agency plan approval	0.00	7/6/09	7/6/09	0.00	9/4/09	9/4/09	50%																					
97	EDA approval of plans, specs	11.00	7/8/09	7/22/09	32.00	10/7/09	11/19/09	0%	EDA																				
98	Construction documents	0.00	7/22/09	7/22/09	5.00	11/20/09	11/26/09	90%	DAA Engineering																				
99	Water Pump Stations and Control Vault	78.00	4/6/09	7/22/09	169.00	4/6/09	11/26/09	76%																					
100	Final design	53.00	4/6/09	6/17/09	110.00	4/6/09	9/4/09	95%	DAA Engineering																				
101	Permitting	78.00	4/6/09	7/22/09	101.00	4/6/09	8/24/09	75%	DAA Engineering																				
102	Submit plans for regulatory review	12.00	6/19/09	7/6/09	15.00	8/3/09	8/21/09	100%	DAA Engineering																				
103	Regulatory agency plan approval	0.00	7/6/09	7/6/09	0.00	9/4/09	9/4/09	50%																					
104	EDA approval of plans, specs	11.00	7/8/09	7/22/09	32.00	10/7/09	11/19/09	0%	EDA																				
105	Construction documents	0.00	7/22/09	7/22/09	5.00	11/20/09	11/26/09	90%	DAA Engineering																				
106	One Million Gallon Ground Level Storage Tank	78.00	4/6/09	7/22/09	169.00	4/6/09	11/26/09	75%																					
107	Final design	53.00	4/6/09	6/17/09	85.00	4/6/09	7/31/09	95%	DAA Engineering																				
108	Permitting	78.00	4/6/09	7/22/09	100.00	4/6/09	8/21/09	75%	DAA Engineering																				
109	Submit plans for regulatory review	12.00	6/19/09	7/6/09	25.00	8/3/09	9/4/09	100%	DAA Engineering																				
110	Regulatory agency plan approval	0.00	7/6/09	7/6/09	0.00	9/4/09	9/4/09	50%																					
111	EDA approval of plans, specs	11.00	7/8/09	7/22/09	32.00	10/7/09	11/19/09	0%	EDA																				
112	Construction documents	0.00	7/22/09	7/22/09	5.00	11/20/09	11/26/09	90%	DAA Engineering																				
113	Bidding	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					
114	12-inch Force Main...	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					

Project Schedule for
Pulaski County PSA/NRV Commerce Park
Infrastructure Improvements

	Activity Name	Duration (Work Days)	Start Date	Finish Date	Revised Duration (Work Days)	Revised Start Date	Revised Finish Date	% Complete	Resources Assigned	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14
										Oct 2009				Nov 2009				Dec 2009				Jan 2010				Feb 2010			
										4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14
120	On-site Water and Sewer...	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					
126	24-inch Water Main from	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					
132	12-inch Water Main from	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					
138	Water Pump Stations and	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					
144	One Million Gallon Ground	29.00	7/22/09	8/31/09	46.00	11/23/09	1/25/10	0%																					
150	Construction...	520.00	9/18/09	9/19/11	692.00	1/25/10	9/19/12	0%																					
160	Bi-weekly progress meetings	645.00	3/31/09	9/19/11	907.00	3/31/09	9/19/12	0%																					
161	Project Closeout	20.00	8/1/13	8/28/13	20.00	8/1/13	8/28/13	0%																					
162	Grant funds expiration	0.00	9/30/13	9/30/13	0.00	9/30/13	9/30/13	0%																					
										4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14