

NOTE CHANGE OF MEETING PLACE
TO THE MONTGOMERY COUNTY
GOVERNMENT CENTER



Virginia's First Regional Industrial Facility Authority
6580 Valley Center Drive, Suite 124
Radford, VA 24141
Phone (540) 639-1524 FAX (540) 831-6093

Bland County
Lace M. (Nick) Asbury, IV
Henry M. Blessing

Craig County
Jay Polen

Giles County
Chris McKlarney
Richard McCoy

Montgomery County
Mary W. Biggs, *Chair*
Craig Meadows

Pulaski County
Andy McCready
Shawn Utt

Roanoke County
Charlotte Moore
Jill Loope

Wythe County
Joe Hale
Coy McRoberts

City of Radford
Tim Cox
Basil Edwards

City of Roanoke
Brian Townsend
Executive Committee
Bill Bestpitch

Town of Christiansburg
Randy Wingfield
Barry D. Helms,
Secretary/Treasurer

Town of Dublin
Doug Irvin
William H. Parker

Town of Pearisburg
Kenneth F. Vittum,
Vice-Chair
Rick Tawney

Town of Pulaski
Joseph Goodman
John Hawley
Executive Committee

TO: Virginia's First Regional Industrial Facility Authority Board Members
FROM: Joe Morgan, Executive Director
SUBJECT: Meeting to be held on Wednesday, November 13 at Noon

A meeting of the Virginia's First Regional Industrial Facility Authority Board of Directors will be held on **Wednesday, November 13 immediately following the Commerce Park Participation Committee Meeting beginning at Noon.** The meeting will be held at the **Montgomery County Government Center, 755 Roanoke Street, Multipurpose Meeting Room #1, Christiansburg, VA 24073.** **Please park in the back section of Parking Lot B off Reading Road or you may park in the Kiwanis Parking Lot on the left on Reading Road.**

Lunch will be provided.

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

- 1) Roll Call and Agenda Approval
- 2) Public Comments
- 3) Approval of Minutes: August 14, 2013 Annual Meeting and Special Meeting
- 4) Financial Report for First Quarter Fiscal Year 2013-2014
- 5) Administrative Staff Report
 - a) Board Member Documentation Required
 - b) Response to Dues Delinquency
- 6) Old Business
 - a) Executive Committee Recommendations:
 - i) Reorganization for Commerce Park Only Focus
 - ii) Administrative Staffing Approaches
 - iii) Budget Proposal for Fiscal Year 2013-2014
 - b) Completion of Support Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County
 - c) Other Old Business
- 7) New Business
 - a) Approval of Request from Commerce Park Participation Committee from Preceding Meeting
 - b) Other New Business
- 8) Closed Session (if needed)
- 9) Other Business
- 10) Adjournment - Next scheduled full VA1st meeting: Wednesdays, August 13, 2014

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

TO: Virginia's First Regional Industrial Facility Authority Board Members
FROM: Joe Morgan, Executive Director
SUBJECT: Staff Report for Meeting on Wednesday, November 13 following the Commerce Park Participation Committee Meeting at Noon

- 1) **Roll Call and Agenda Approval** – A Board Member from 7 of the 13 member governments is required for a quorum. While not specified in the agenda requirements of the VFRIFA By-Laws, agenda items marked with * may be adopted as consent items, unless a Board Member desires discussion prior to approval. *Recommendations for action are shown in italics.*
- 2) **Public Comments** – No public comments have been requested at this time.
- 3) ***Approval of Minutes** - The minutes of the August 14, 2013 Annual Meeting and Special Meeting were sent previously by e-mail.
- 4) ***Financial Report for First Quarter Fiscal Year 2012-2013** – *Attached on pages 4-7* is the first quarter's report, showing balances of \$766,538.17 for the Commerce Park and \$83,919.35 for the Authority. Most of the balances have been designated for future expenses.
- 5) **Administrative Staff Report**
 - a) ***Board Member Documentation Required** – Ms. Straight will send the 2014 financial disclosure form required by the Commonwealth to Board Members by December for the January 2014 filing deadline. She will also alert the clerk of member governing bodies of any missing appointment resolutions or oaths of office. For member governments with Board members who have retired, resigned, taken new employment, etc., membership with VFRIFA remains active until a successor is appointed and takes the required oath of office.
 - b) ***Response to Dues Delinquency** – My communication with the Wythe County Administrator indicates the non-payment of dues reflects concerns about the change in focus of the Authority. I understand Wythe would want a withdrawal option when a Commerce Park only focus is pursued.
- 6) **Old Business**
 - a) **Executive Committee Recommendations** – Members of the Executive Committee have reviewed and concurred with the following recommendations:
 - i) **Reorganization for Commerce Park Only Focus** - *Authority Attorney Theresa Fontana be requested to draft amendments to current organizational documents that would allow a primary focus on the*

Commerce Park and share those suggested amendments with staff and legal counsel of all member governments for review and comment prior to April 2014;

ii) **Administrative Staffing Approaches** - *The NRV Planning District, NRV Economic Development Alliance and any member government entity be asked whether it will administer and / or market the new Commerce Park only focus at an annual fee of from \$25,000 to \$45,000; with response by April, so that after receiving the response in April, the Authority can determine whether to engage one or more of these existing organizations or recruit administrative services elsewhere from an individual or organization; and*

iii) **Budget Proposal for Fiscal Year 2013-2014** - *A consolidated Authority & Commerce Park budget, as attached on page 8 be submitted for the New River Valley regional budget process in December, with the consolidated budget using existing Commerce Park annual investment and Authority dues without any increase in contribution from any member government.*

b) **Completion of Support Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County** – *Adoption of the agreement, as attached on pages 9 - 13, is recommended. The participating member governing bodies will also be asked to adopt the agreement. The agreement issues additional shares as needed for additional investment that might be required in support of the grading grant for Red Sun Farms debt service.*

c) **Other Old Business**

7) **New Business**

a) **Approval of Requests from Commerce Park Participation Committee from Preceding Meeting**

b) **Other New Business**

8) **Closed Session (if needed)**

9) **Other Business**

10) **Adjournment** - Next scheduled full VA1st meeting: Wednesdays, August 13, 2014. A special meeting for considering Commerce Park matters is called as needed following each Commerce Park meeting until the Annual meeting.

Virginia 's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Meeting Minutes

August 14, 2013

NRV Business Center, Fairlawn, VA

1. Roll Call and Agenda Approval

Chairman Biggs called the meeting of the Virginia's First Regional Industrial Facility Authority (VFRIFA) Board of Directors Annual Meeting to order at noon at the New River Valley Competitiveness Center, Valley Center Drive, in Pulaski County. A roll call of the Board of Directors was taken and a quorum determined with the following 7 of the 13 member governments represented: Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski.

Ms. Biggs stated the Executive Committee identified 2 items for discussion – items 6.a Strategic Planning Focus, 6.g Budget Adoption, and 7.c Nominating Committee or Election of Officers – and recommended all other items with an asterisk marked on the agenda be taken under a motion of consent following the discussion of the above items. She asked for a vote on amending the agenda as noted above.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

2. Public Comments

No public comments were made.

3. Old Business

a. Strategic Planning Focus

Following up with the Executive Committee's charge from last year's annual meeting, the following recommendations have been reviewed by the Authority Executive Committee Members:

- i) Move to a Commerce Park only focus by FY 2014-15
- ii) Move to a consolidated VFRIFA/Commerce Park budget by FY 2014-15
- iii) Consider reducing the contracted administrative services by FY 2014-15 to no more than \$25,000 per year and possibly combining management with marketing with at least \$20,000 per year for marketing through:
 - (1) a consulting part time executive director;
 - (2) contract with another regional agency, such as the NRV Economic Development Alliance and/or PDC; and/or
 - (3) member government support.
- iv) For Professional Services:
 - (1) Continue to engage the services of Guynn, Memmer & Dillon, PC and Robinson, Farmer, Cox Associates on a year to year basis.
 - (2) Engage three or more consulting engineering firms for on call services for a two year term, with three one-year renewals.
- v) Procure a small business style banking relationship which allows efficient use of electronic transactions and interfaces well with the VFRIFA Quick Books accounting system.

Mr. Morgan stated the first three items will need authorization for the Executive Committee to implement the recommendations by the August 2014 Authority Annual Meeting. An update and possibly recommendations for action can be provided at a suggested meeting date in November to precede the scheduled Commerce Park meeting.

Mr. Morgan noted action would be appropriate to allow staff to confirm and modify where noted the continuing relationships for legal, auditing, engineering, and banking services for terms noted above.

Motion: Mr. Parker moved the board authorize staff to continue to engage professional services to include legal and auditing with Guynn Memmer Dillon and Robinson Farmer Cox, respectively. Mr. Meadows seconded the motion.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

Motion: Mr. Edwards moved the board authorize staff to move to a business style banking relationship with Stellar One. Mr. Vittum seconded the motion.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

Motion: Mr. Helms moved the board authorize the Executive Committee to investigate and study recommendations 6.a.i through 6.a.iii by the August 2014 Authority Annual Meeting with an update to be provided to the board at the next meeting. Mr. Goodman seconded the motion.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

b. Budget Adoption

Mr. Morgan reviewed the budget presented to the board in the meeting agenda packet.

Motion: Mr. Wingfield moved the board approve the budget as presented and attached to these minutes with it being noted the \$17,000 of Virginia's First funds directed to Commerce Park expenses will be a loan with market rate interest to the Commerce Park Participation Committee's water and sewer capacity reserve fund. Mr. Edwards seconded the motion.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

4. New Business

a. Nominating Committee or Election of Officers for Fiscal Years 2015 & 2016

Mr. Morgan reported a nominating committee was needed because the current biennial terms of officers expire on June 30, 2014. The recommended a slate of officers would be voted on at the 2014 Annual Meeting.

Motion: Mr. Goodman moved the board authorize the chair to appoint a nominating committee for a slate of officers to be presented at the 2014 annual meeting. Mr. Vittum seconded the motion.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

5. Consent Agenda Items

Ms. Biggs presented the following items to be included in the consent agenda.

a. Approval of Minutes

The minutes of the August 15, 2012; January 16, February 4, & April 16, 2013 meetings were approved.

b. Preliminary Financial Report for Fiscal Year 2012-2013

It was noted the year-end report shows available balances of \$203,822.24 for the Commerce Park and \$32,697.85 for the Authority.

c. Board Member Documentation Required

It was noted that Ms. Straight will send the 2014 financial disclosure form required by the Commonwealth to Board Members by December for the January 2014 filing deadline. She will also alert the clerk of member governing bodies of any missing appointment resolutions or oaths of office.

d. Memorandum of Understanding (MOU) for Support Services from New River Valley Planning District

Continuation of the MOU was approved under the same terms for FY 2013-14 as for FY 2012-13, with the allocation of cost estimated at \$18,000 for the Commerce Park and \$7,000 for the Authority, subject to amendment and termination by mutual consent.

e. Fiscal Year 2011-2012 Auditor Engagement

Endorsement of the continued audit services of Robinson, Farmer Cox Associates was approved. The engagement letter, which principal auditor Corbin Stone asked to be given to Board Members, was provided with the agenda items of this meeting.

f. Insurance Coverage Renewal

Endorsement of the renewal with VACORP was approved, with the \$1,706 premium allocated \$583 for Commerce Park property coverage and \$1,123 for Authority liability, errors and omissions coverage.

g. General Engineering Services Procurement

Engagement of the following firms was approved for general engineering services: Anderson & Associates, Draper Aden Associates; Timmons and Thompson & Litton. Engagement of Schnabel Engineering for geotechnical related services was also approved. The term of engagement is for two years, with up to three one-year renewals. As the need for services arises, an informal solicitation of cost and availability, based on a specific scope of work, will be requested from all engaged firms to allow selection of the optimum engineering support at that time.

h. Report on 2013 Financing Completion

The report from Davenport and Co. on the \$7.3 million financing closed in June was included in the agenda packet for this meeting.

i. Completion of Red Sun Farms Grading Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County

Confirmation was given that legal counsel and staff should complete the agreement with the members supporting the Red Sun Farms grading financing.

j. Update on Reserve Funds Loan to Commerce Park Participation Committee

Of the \$300,000 loan authorized at the Authority 2012 Annual Meeting, \$200,000 was available from Authority available funds. That amount was paid to the Debt Service Reserve Fund for the refinancing.

k. Lead Conference Calls through Contract with 310 Ltd. and Postcard Marketing Status

The 310 Ltd. initial contract and extension researched over 500 companies identified by Dean Whittaker & Associates as potential industries within the target groups identified in the 2010 Leak & Goforth study. From that research ten calls with business decision makers were scheduled for the NRV Alliance. The quarterly postcard marketing to those same 500 companies was delayed after the Red Sun Farms location to allow for revising the postcard message to reflect the changed status of the Commerce Park. The regional marketing expense was allocated to VFRIFA and the Commerce Park specific postcard marketing to the Commerce Park.

l. Authorization for Execution of Documents by Executive Director and / or Officer in Absence of the Chair and Vice-Chair

Authorization of the following was approved:

- Pursuant to Article IV, Section 4.1 and Article V, Section 5.4 and 5.5 of the VFRIFA By-Laws, the Executive Director, Secretary/Treasurer of the Authority, and the Assistant Secretary/Treasurers of the Authority may sign documents for actions of the Authority that are approved in advance, including implementation of expenditures approved in the annual budget, or prior administrative actions that are to be ratified by the Authority.
- All officers of any participation committee are appointed as Assistant Secretary/Treasurers of the Authority.
- It is also understood that the current By-Laws allow designation of signatory authority along with any duly taken action of the Authority.

m. Continuation of Authority Chair for 2014, per Code of Virginia 15.2-6403D

Election of Chair Biggs for calendar year 2014 or the end of her term for state code compliance was approved.

n. Special Meeting of Authority at Each Commerce Park Meeting for Approval of Commerce Park Actions

Continuation was approved until the next Annual Meeting of the practice of holding a special meeting of the Authority Board of Directors to be held immediately following each regular or called meeting of the Commerce Park Participation Committee, for the purpose of receiving and acting on requests from the Commerce Park Participation Committee regarding Commerce Park projects and properties. By signature of the Chair and Secretary-Treasurer on the minutes of this meeting, representing the required two member localities, the special meetings can be called.

o. Draft 2012-2013 Annual Report

The draft Annual Report was approved as presented and is attached to the minutes of this meeting.

p. Response to Dues Delinquency

Wythe County was reported as several years in arrears on annual dues payment. Inquiry to Wythe County to be made to determine the extent of continued interest was approved.

Motion: Mr. Meadows moved the board adopt the consent items. Mr. White seconded the motion.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

6. Closed Session (if needed)

No closed session was held.

7. Other Business

No further business was brought before the board.

8. Adjournment

With no further business to discuss the meeting was adjourned at 12:30 pm, to reconvene as needed after each Commerce Park meeting. The next scheduled full VA1st meeting will be Wednesday, November 13, 2013 or August 13, 2014.

Motion: On motion of Mr. Goodman, seconded by Mr. Cox and carried unanimously, the meeting was adjourned with the next scheduled meeting to be held on November 13, 2013 at noon, with advance notice to all Board members; and, by signature of the Chair and Secretary-Treasurer, representing the required two member localities, a special meeting of the Authority Board of Directors shall be held immediately following each regular or called meeting of the Commerce Park Participation Committee, for the purpose of receiving and acting on requests from the Commerce Park Participation Committee regarding Commerce Park projects and properties; with the next such Commerce Park Participation Committee to be held at noon on Wednesday, November 13, 2013.

Action: The motion passed unanimously with representation from Craig and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Pulaski, Roanoke and Wythe counties and City of Roanoke were absent.

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director Mary Biggs, Chair and

Barry Helms, Secretary / Treasurer

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Attendance

August 14, 2013
NRV Business Center, Fairlawn, VA

Jurisdiction	Member	Alternate
Bland County	<input type="checkbox"/> Nick Asbury <input type="checkbox"/> Henry M. Blessing	<input type="checkbox"/> Eric Workman
Craig County	<input checked="" type="checkbox"/> Jay Polen	
Giles County	<input type="checkbox"/> Chris McKlarney <input type="checkbox"/> Richard McCoy	
Montgomery	<input checked="" type="checkbox"/> Craig Meadows <input checked="" type="checkbox"/> Mary Biggs	<input type="checkbox"/> Carol Edmonds <input checked="" type="checkbox"/> Brian Hamilton
Pulaski County	<input type="checkbox"/> Andy McCready <input type="checkbox"/> Shawn Utt	<input type="checkbox"/> Joe Sheffey <input type="checkbox"/> Jared Linkous
Roanoke County	<input type="checkbox"/> Charlotte Moore <input type="checkbox"/> Jill Loope	<input type="checkbox"/> Joseph "Butch" Church
Wythe County	<input type="checkbox"/> Joe Hale <input type="checkbox"/> Coy McRoberts	
City of Radford	<input checked="" type="checkbox"/> Tim Cox <input checked="" type="checkbox"/> Basil Edwards	
City of Roanoke	<input type="checkbox"/> Bill Bestpitch <input type="checkbox"/> Brian Townsend	<input type="checkbox"/> Anita Price
Town of Christiansburg	<input checked="" type="checkbox"/> Randy Wingfield <input checked="" type="checkbox"/> Barry Helms	
Town of Dublin	<input checked="" type="checkbox"/> Bill Parker <input checked="" type="checkbox"/> Doug Irvin	
Town of Pearisburg	<input checked="" type="checkbox"/> Rick Tawney <input checked="" type="checkbox"/> Ken Vittum	
Town of Pulaski	<input checked="" type="checkbox"/> Joseph Goodman <input type="checkbox"/> John Hawley	<input checked="" type="checkbox"/> John White

Others Present: Aric Bopp (NRVEDA), Rick di Salvo, Carolyn Howard, , Pete Huber

Staff Present: Joe Morgan, Kevin Byrd, Christy Straight

Virginia 's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Special Meeting Minutes

August 14, 2013

NRVBC, Fairlawn, VA

1. Meeting Convened with Quorum Present

Chair Biggs called the special meeting of the Authority Board of Directors to order immediately following the conclusion of the New River Valley Commerce Park Participation Committee at the New River Valley Business Center, in Fairlawn. The special meeting was called to consider only matters regarding the Commerce Park. A quorum determined with the following 8 of the 13 member governments represented: Craig, Pulaski, and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Giles, Roanoke and Wythe counties and City of Roanoke were absent.

2. Commerce Park Action Taken in August 14 Meeting for Ratification

The Authority received a request from the Commerce Park Participation Committee to ratify activity taken during the Commerce Park Participation Committee meeting on August 14.

Motion: Mr. Utt, moved, and Mr. Parker seconded, that the Authority accept the recommendation of Commerce Park Participation Committee during the August 14 committee meeting to include authorizing the Executive Committee and staff to sign and execute any agreements needed to accomplish the actions approved by the CPPC.

Action: The motion passed without objection, with all Board members from the following member governments in attendance voting yes (Craig, Pulaski and Montgomery counties; the City of Radford; and towns of Christiansburg, Dublin, Pearisburg and Pulaski), none voting no and no voting members present from the following member governments (Bland, Giles, Roanoke and Wythe counties and City of Roanoke).

3. Adjournment

On motion of Mr. Parker seconded by Mr. Helms, and carried unanimously, the special called meeting, for the purpose of receiving and acting on requests from the Commerce Park Participation Committee regarding Commerce Park projects and properties, was adjourned to be reconvened immediately following the next Commerce Park Participation Committee meeting, which is scheduled to be held on Wednesday, November 13, 2013 at noon or a second Wednesday of the month at noon at the New River Valley Competitiveness Center, 6580 Valley Center Drive, Radford, Virginia, in the Fairlawn area of Pulaski County.

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director

Barry Helms, Secretary / Treasurer

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Attendance

August 14, 2013
 NRV Business Center, Fairlawn, VA

Jurisdiction	Member	Alternate
Bland County	<input type="checkbox"/> Nick Asbury <input type="checkbox"/> Henry M. Blessing	<input type="checkbox"/> Eric Workman
Craig County	<input checked="" type="checkbox"/> Jay Polen	
Giles County	<input type="checkbox"/> Chris McKlarney <input type="checkbox"/> Richard McCoy	
Montgomery	<input checked="" type="checkbox"/> Craig Meadows <input checked="" type="checkbox"/> Mary Biggs	<input type="checkbox"/> Carol Edmonds <input checked="" type="checkbox"/> Brian Hamilton
Pulaski County	<input type="checkbox"/> Andy McCready <input checked="" type="checkbox"/> Shawn Utt	<input type="checkbox"/> Joe Sheffey <input type="checkbox"/> Jared Linkous
Roanoke County	<input type="checkbox"/> Charlotte Moore <input type="checkbox"/> Jill Loope	<input type="checkbox"/> Joseph "Butch" Church
Wythe County	<input type="checkbox"/> Joe Hale <input type="checkbox"/> Coy McRoberts	
City of Radford	<input checked="" type="checkbox"/> Tim Cox <input checked="" type="checkbox"/> Basil Edwards	
City of Roanoke	<input type="checkbox"/> Bill Bestpitch <input type="checkbox"/> Brian Townsend	<input type="checkbox"/> Anita Price
Town of Christiansburg	<input checked="" type="checkbox"/> Randy Wingfield <input checked="" type="checkbox"/> Barry Helms	
Town of Dublin	<input checked="" type="checkbox"/> Bill Parker <input checked="" type="checkbox"/> Doug Irvin	
Town of Pearisburg	<input checked="" type="checkbox"/> Rick Tawney <input checked="" type="checkbox"/> Ken Vittum	
Town of Pulaski	<input checked="" type="checkbox"/> Joseph Goodman <input type="checkbox"/> John Hawley	<input checked="" type="checkbox"/> John White

Others Present: Aric Bopp (NRVEDA), Rick di Salvo, Carolyn Howard, , Pete Huber

Staff Present: Joe Morgan, Kevin Byrd, Christy Straight



Virginia's First Regional Industrial Facility Authority

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Radford, VA 24141

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

www.nrvpdc.org/vafirst.html

ANNUAL REPORT FOR FISCAL YEAR 2012-2013

Bland County

Lace M. (Nick) Asbury, IV
Henry M. Blessing

Craig County

Jay Polen

Giles County

Chris McKlarney
Richard McCoy

Montgomery County

Mary W. Biggs
Chair
Craig Meadows

Pulaski County

Andy McCready
Shawn Utt

Roanoke County

Charlotte Moore
Jill Loope

Wythe County

Joe Hale
Coy McRoberts

City of Radford

Tim Cox
Basil Edwards

City of Roanoke

Brian Townsend
Executive Committee
Bill Bestpitch

Town of Christiansburg

Randy Wingfield
Barry D. Helms,
Secretary Treasurer

Town of Dublin

Doug Irvin
William H. Parker

Town of Pearisburg

Kenneth F. Vittum
Vice - Chair
Rick Tawney

Town of Pulaski

Joseph Goodman
John Hawley,
Executive Committee

This Annual Report for the fiscal year ending June 30, 2013 (FY13) is submitted to the Virginia's First Regional Industrial Facility Authority (VA's 1st) member local governments pursuant to Section 15.2-6403E, 1950 Code of Virginia, as amended.

VA's 1st leadership continued through the following members of the Executive Committee: Mary Biggs of Montgomery County, Chair; Ken Vittum of Pearisburg, Vice-Chair; Barry Helms of Christiansburg, Secretary/Treasurer; and John Hawley of Pulaski Town. Brian Townsend of Roanoke City joined the Executive Committee. The New River Valley Commerce Park is VA's 1st primary project. The Authority was able to refund its existing \$5 million debt through a bond issue of the Industrial Development Authority of Pulaski County. The refunding reduced the term of all outstanding debt from 2045 to 2038 and removed deed of trust restrictions that impeded sale or other transfer of Park acreage. Implementing a Commonwealth of Virginia Building Collaborative Communities Grant (BCC), 500 identified potential businesses were contacted resulting in ten conference calls with leads suitable for the VA's 1st region. The calls were coordinated by the NRV Economic Development Alliance.

The long awaited first business for the Park was announced by Governor McDonnell in March 2013. Red Sun Farms, a producer of high-quality hydroponic vegetables, will invest a total of \$30 million to establish its first U.S. high-technology greenhouse production operation. The company will erect climate controlled greenhouses on 45 acres to grow quality greenhouse grown vegetables, creating 205 new jobs within five years. Virginia successfully competed against Tennessee for the project. The announcement resulted from years of effort by the NRV Economic Development Alliance, led by Alliance Executive Director Aric Bopp and Pulaski County Community Development Director Shawn Utt. A \$2 million grading grant incentive was invested through the VA's 1st Authority, with \$1.6 million in financing issued by the Industrial Development Authority of Pulaski County supported by Giles and Pulaski Counties, Radford City and Pearisburg & Pulaski Towns, as well as \$400,000 from the Pulaski County Board of Supervisors.

The Commerce Park continued to be led in FY 12 by an Executive Committee of: Basil Edwards of Radford, Chair; Chris McKlarney of Giles County, Vice-Chair; Shawn Utt of Pulaski County, Secretary/Treasurer; Brian Hamilton of Montgomery County; and Jay Polen of Craig County. The Park continued to be marketed through the NRV Economic Development Alliance. An added marketing effort was listing of the Park with Thalhimier / Cushman & Wakefield commercial real estate broker, which is marketing the Park through its global network. A new website for the park was created at www.nrvcommercepark.com.

The Consolidated Annual Financial Report for VA's 1st for FY13 will be sent to member governments, when completed, as a part of this annual report.

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
<u>Income</u>				
Commerce Park Income				
Grants	30,000.00		30,000.00	
VA 1st Marketing Reimbursement			35,000.00	
VA 1st Target Research Reimbursement			22,000.00	
Interest Income - Commerce Park	5,000.00	4,166.76	5,000.00	
Water Surcharge				1,000.00
Property Taxes				0.00
Lease Income - Commerce Park				
Dalton - 400 Acres	4,065.25	4,282.46	4,282.46	4,000.00
Flory - 100 Acres	2,541.50	2,374.70	2,000.00	2,000.00
Guthrie - 300 Acres	3,200.25	3,298.13	3,298.13	1,800.00
Residence - Double Wide	6,000.00	5,450.00	3,000.00	7,200.00
Residence - Single Wide		0.00	0.00	0.00
Total Lease Income - Commerce Park	15,807.00	15,405.29	12,580.59	15,000.00
Shares - Commerce Park				
Shares - Bland County	5,900.00	5,900.00	5,900.00	5,900.00
Shares - City of Radford	23,258.00	23,258.00	23,258.00	23,258.00
Shares - City of Roanoke	27,500.00	27,500.00	27,500.00	27,500.00
Shares - Craig County	5,844.00	5,844.00	5,844.00	5,844.00
Shares - Giles County	55,851.00	0.00 *	55,851.00	55,851.00
Shares - Montgomery County	55,851.00	55,851.00	55,851.00	55,851.00
Shares - Pulaski County	180,172.00	180,172.00	180,172.00	180,172.00
Shares - Roanoke County	29,255.00	29,255.00	29,255.00	29,255.00
Shares - Town of Dublin	2,968.00	2,968.00	2,968.00	2,968.00
Shares - Town of Pearisburg	5,900.00	5,900.00	5,900.00	5,900.00
Shares - Town of Pulaski	20,001.00	20,001.00	20,001.00	20,001.00
Total Shares - Commerce Park	412,500.00	356,649.00	412,500.00	412,500.00
* (paid prior year)				
Use of Reserve Funds			97,498.41	152,857.00
Total Commerce Park Income	463,307.00	376,221.05	614,579.00	581,357.00

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
Virginia First's Income				
Interest Income - VA First	5,000.00	4,166.81	1,000.00	
Member Dues - VA First				
Dues - Bland County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - City of Radford	5,000.00	5,000.00	5,000.00	5,000.00
Dues - City of Roanoke	5,000.00	0.00	5,000.00	5,000.00
Dues - City of Salem	5,000.00	0.00	0.00	0.00
Dues - Craig County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Giles County	5,000.00	0.00	5,000.00	5,000.00
Dues - Montgomery County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Pulaski County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Roanoke County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Christiansburg	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Dublin	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Narrows	5,000.00	0.00	0.00	0.00
Dues - Town of Pearisburg	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Pulaski	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Wythe County	5,000.00	0.00	5,000.00	5,000.00
Total Member Dues - VA First	75,000.00	50,000.00	65,000.00	65,000.00
Use of Reserve			27,500.00	
Total Virginia First's Income	80,000.00	54,166.81	93,500.00	65,000.00
Total Income	543,307.00	430,387.86	708,079.00	646,357.00
Expense				
Commerce Park Expenses				
Administration Contracted - CP				
Contracted Management	12,000.00	8,500.00	9,000.00	5,940.00
Contracted Site Coordination		0.00	1,000.00	1,000.00
PDC Staff Services	18,000.00	18,183.81	18,000.00	18,000.00
Total Administration Contracted - CP	30,000.00	26,683.81	28,000.00	24,940.00
Administration Expenses				
Advertising/Media	500.00	0.00		
Copies/Printing	400.00	17.72	100.00	50.00
Miscellaneous				
Bank Fees		652.39		
Miscellaneous - Other		100.87	125.00	1,257.00
Total Miscellaneous	900.00	753.26	125.00	1,257.00
Office Space		220.00		
Office Supplies	400.00	173.32	200.00	50.00
Postage	352.00	4.28	100.00	20.00
Telecommunications	2,400.00	748.24		
Transportation/Travel Per Diem	2,400.00	933.18	1,000.00	1,000.00
Total Administration Expenses	7,352.00	2,850.00	1,525.00	2,377.00

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
Contractual Service-Commerce Pk		2,837.80		
Debt Service-Commerce Park				
Rural Development #1 - 03/19/42	119,448.00	119,448.00	119,448.00	
Rural Development #2 - 03/02/45	123,096.00	123,096.00	123,096.00	
Stellar One - 02/01/24	113,764.00	113,763.70	113,764.00	
Pulaski Co PSA - 2050			55,000.00	38,000.00
New Financing				499,917.00
Total Debt Service-Commerce Park	356,308.00	356,307.70	411,308.00	537,917.00
Participation Committee-Comm Pk	1,500.00	1,131.26	1,500.00	1,500.00
Professional Services-Com Pk				
Audit Fee	1,600.00	1,625.00		
Engineering		17,147.65	85,000.00	5,000.00
Legal	2,000.00	2,339.33		
Other Professional Fees	1,000.00	0.00	3,000.00	
Total Professional Services-Com Pk	4,600.00	21,111.98	88,000.00	5,000.00
Project Development-Commerce Pk				
Site Development/Marketing				
Strategic Plan	30,387.29	30,387.29		
Target Industry Idenification	47,000.00	15,250.00	31,750.00	
Website	37,260.00	22,419.93	14,807.00	
Postcard Mailer Campaign	13,092.00	2,485.92	10,606.00	5,000.00
Strategic Plan Review	15,000.00		15,000.00	
Total Site Development/Marketing	142,739.29	70,543.14	72,163.00	5,000.00
Total Project Development	142,739.29	70,543.14	72,163.00	5,000.00
Site Maintenance-Commerce Park				
Environmental		385.00	0.00	0.00
Equipment Maintenance	1,000.00	0.00	0.00	0.00
Rental Property Maintenance			10,000.00	2,500.00
Insurance				
Equipment/Machinery	275.00	0.00		
Liability	175.00	0.00		
Property	750.00	583.00	583.00	583.00
Total Insurance	1,200.00	583.00	583.00	583.00
Materials/Supplies	1,000.00	1,642.14	1,000.00	1,000.00
Miscellaneous	3,000.00	2,097.49	500.00	300.00
Utilities	10,600.00	10,066.00	0.00	240.00
Site Maintenance Other		650.00		0.00
Total Site Maintenance	16,800.00	15,423.63	12,083.00	4,623.00
Total Commerce Park Expenses	559,299.29	496,889.32	614,579.00	581,357.00

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
Virginia's First Expenses				
Administration Contracted -VF				
Contracted Management	6,000.00	9,500.00	9,000.00	12,060.00
PDC Staff Services	7,000.00	6,332.18	7,000.00	7,000.00
Total Administration Contracted -VF	13,000.00	15,832.18	16,000.00	19,060.00
Administration Expenses - VA1st				
Copies/Printing	400.00	0.72	400.00	50.00
Insurance - Public Officials	550.00	1,100.00	1,100.00	1,100.00
Miscellaneous				
Bank Fees		783.04	1,600.00	1,000.00
Miscellaneous - Other	500.00	210.86	1,000.00	840.00
Total Miscellaneous	500.00	993.90	2,600.00	1,840.00
Office Space		55.00		
Office Supplies	100.00	173.31	1,000.00	
Postage	352.00	5.92	400.00	50.00
Telecommunications	50.00	771.68	1,200.00	1,500.00
Transportation/Travel Per Diem	2,400.00	808.50	2,400.00	1,000.00
Total Administration Expenses - VA1st	4,352.00	3,909.03	9,100.00	5,540.00
Professional Services- VA First				
Audit Fee	2,100.00	1,625.00	3,400.00	3,400.00
Legal	4,000.00	2,694.33	8,000.00	5,000.00
Total Professional Services- VA First	6,100.00	4,319.33	11,400.00	8,400.00
Water & Sewer Capacity Debt Service				17,000.00
Website & Target Industry Research				
Website Maintenance				5,000.00
Website Analysis				2,000.00
Target Industry Research				8,000.00
Total Regional Marketing			57,000.00	15,000.00
Total Virginia's First Expenses	23,452.00	24,060.54	93,500.00	65,000.00
Total Expense	582,751.29	520,949.86	708,079.00	646,357.00
Net Surplus (Deficit)	(90,562.00)	(90,562.00)	0.00	0.00
Commerce Park Use of Reserve	(120,668.27)	(120,668.27)	(97,498.41)	(152,857.00)
VA First Use of Reserve	0.00	0.00	(27,500.00)	0.00

	VA First	Commerce Park	Total Funds
6/30/2013 Designated Balance	\$ 45,424.85	\$ 396,026.18	\$ 441,451.03
Quarterly Income			
Dues/Shares	\$ 60,000.00	\$ 410,952.94	
Leases			
Interest		\$ 14.46	
Misc			
Add'l Shares - W/S Expansion			
Total Income	\$ 60,000.00	\$ 410,967.40	
Quarterly Expense			
Admin Contracted	\$ 1,220.04	\$ 2,064.27	
Admin Exp	\$ 518.46	\$ 361.08	
Project Development	\$ 2,282.00		
Contractual Service			
Debt Service	\$ 17,000.00	\$ 38,000.00	
Participation Committee			
Professional	\$ 485.00		
Site Maintenance		\$ 30.06	
Revenue Refund			
Misc/reserve used for debt service			
Total Expense	\$ 21,505.50	\$ 40,455.41	
9/30/13 Designated Balance	\$ 83,919.35	\$ 766,538.17	\$ 850,457.52
VA 1st includes deferred revenue @		9/30/13 ledger balance	\$ 850,457.52
\$12,727.00			\$ -
		\$ 766,538.17	Commerce Pk 2nd Qtr Balance
		\$ (192,203.94)	designated for W/S expansion
		\$ -	designated for RD Loan reserve
		\$ 574,334.23	

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Quarter Ending September 30, 2013

Ledger Balance Forward June 30, 2013		441,451.03
Dues/Shares/Rents Received 7/1/2013 -9/30/2013	470,952.94	
Interest Earned July - September 2013	14.46	
Analysis charge for June 2013 - August 2013	(212.16)	
Total Receivables (less fees)	470,755.24	470,755.24

July 2013 Payables

AEP	10.02
Verizon Wireless	107.19

August 2013 Payables

AEP	10.02
Verizon Wireless	99.63
Guynn, Memmer & Dillon	345.00
NRVPDC	1,715.06
NRVDC -Room Rental	125.00
Pulaski Co PSA	55,000.00
Roanoke Times	236.08

June 2013 Payables

Verizon Wireless	99.48
AEP	10.02
NRV Planning District Commission	1,569.25
NewCity	1,782.00
O'Conner Group	500.00
Guynn, Memmer & Dillon	140.00

Total Accounts Payable	61,748.75
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Ledger Balance September 30, 2013		(61,748.75)
		850,457.52

Available Funds

Virginia's First Designated Balance	83,919.35	
Virginia's First Deferred Excess Funds	(12,727.00)	
Virginia First Available Balance	71,192.35	71,192.35
Commerce Park Designated Balance	766,538.17	
Commerce Park Water/Sewer Expansion Reserve	(192,203.94)	
Commerce Park Available Balance	574,334.23	574,334.23

Total Available Funds		645,526.58
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Property Owned

Cullip, Doug (purchase price)	\$ 1,400,000.00
Cullip, Andrew (purchase price)	\$ 355,000.00
Collins/Evans (purchase price)	\$ 1,000,000.00
Phillips, Edwina (purchase price)	\$ 2,178,000.00
Construction/Improvements	\$ 1,958,385.06
Equipment	\$ 43,350.00
Debt Service Reserve Fund	\$ 506,705.06
Total Cost of Fixed Assets	\$ 7,441,440.12

2009 Appraised Value of Commerce Park (839 acres excluding surplus property)	\$ 5,200,000.00
2009 Assessed Value of 35 Acre Surplus Property	\$ 662,500.00
2009 Assessed Value of 55 Acre Surplus Property	\$ 330,600.00
Subtotal Real Estate (above values include \$204,375 depreciated buildings value)	\$ 6,193,100.00
2011 Depreciated Equipment Value	\$ 8,670.00
Estimated Value of Land, Buildings and Equipment	\$ 6,201,770.00

Long-term Obligations - principal balance as of June 26, 2013

Pulaski County IDA June 2013 Bond Issue 5.15% through 2028	\$ 1,660,000.00
Pulaski County IDA June 2013 Bond Issue 5.15% through 2039	\$ 5,150,000.00
VFRIFA Loan to CP Debt Service Reserve Fund through 2039	\$ 200,000.00
Total Current Debt	\$ 7,010,000.00

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

July 2013 through June 2014

	Jul '13 - Jun 14	Budget	% of Budget
Income			
Commerce Park Income			
Commerce Park - Use of Reserve	0.00	152,857.00	0.0%
Interest Income - Commerce Park	14.46		
Lease Income - Commerce Park			
Dalton - 400 Acres	0.00	4,000.00	0.0%
Flory - 100 Acres	0.00	2,000.00	0.0%
Guthrie - 300 Acres	0.00	1,800.00	0.0%
Residence - Double Wide	1,830.60	7,200.00	25.4%
Total Lease Income - Commerce Park	1,830.60	15,000.00	12.2%
Shares - Commerce Park			
Shares - Bland County	5,900.00	5,900.00	100.0%
Shares - City of Radford	23,258.00	23,258.00	100.0%
Shares - City of Roanoke	27,500.00	27,500.00	100.0%
Shares - Craig County	5,844.00	5,844.00	100.0%
Shares - Giles County	55,851.00	55,851.00	100.0%
Shares - Montgomery County	55,851.00	55,851.00	100.0%
Shares - Pulaski County	180,172.00	180,172.00	100.0%
Shares - Roanoke County	29,255.00	29,255.00	100.0%
Shares - Town of Dublin	2,968.00	2,968.00	100.0%
Shares - Town of Pearisburg	5,900.00	5,900.00	100.0%
Shares - Town of Pulaski	20,001.00	20,001.00	100.0%
Total Shares - Commerce Park	412,500.00	412,500.00	100.0%
Water Surcharge	0.00	1,000.00	0.0%
Total Commerce Park Income	414,345.06	581,357.00	71.3%
Virginia First's Income			
Member Dues - VA First			
Dues - Bland County	5,000.00	5,000.00	100.0%
Dues - City of Radford	5,000.00	5,000.00	100.0%
Dues - City of Roanoke	5,000.00	5,000.00	100.0%
Dues - Craig County	5,000.00	5,000.00	100.0%
Dues - Giles County	5,000.00	5,000.00	100.0%
Dues - Montgomery County	5,000.00	5,000.00	100.0%
Dues - Pulaski County	5,000.00	5,000.00	100.0%
Dues - Roanoke County	5,000.00	5,000.00	100.0%
Dues - Town of Christiansburg	5,000.00	5,000.00	100.0%
Dues - Town of Dublin	5,000.00	5,000.00	100.0%
Dues - Town of Pearisburg	5,000.00	5,000.00	100.0%
Dues - Town of Pulaski	5,000.00	5,000.00	100.0%
Dues - Wythe County	0.00	5,000.00	0.0%
Total Member Dues - VA First	60,000.00	65,000.00	92.3%
Total Virginia First's Income	60,000.00	65,000.00	92.3%
Total Income	474,345.06	646,357.00	73.4%
Gross Profit	474,345.06	646,357.00	73.4%
Expense			
Commerce Park Expenses			
Administration Contracted - CP			
Contracted Management	0.00	5,940.00	0.0%
Contracted Site Coordination	0.00	1,000.00	0.0%
PDC Staff Services	2,064.27	18,000.00	11.5%
Total Administration Contracted - CP	2,064.27	24,940.00	8.3%
Administration Expenses			
Advertising/Media	236.08		
Copies/Printing	0.00	50.00	0.0%
Miscellaneous	125.00	1,257.00	9.9%
Office Supplies	0.00	50.00	0.0%
Postage	0.00	20.00	0.0%
Transportation/Travel Per Diem	0.00	1,000.00	0.0%
Total Administration Expenses	361.08	2,377.00	15.2%
Debt Service-Commerce Park			
New Financing	0.00	499,917.00	0.0%
Pulaski Co PSA - 2050	38,000.00	38,000.00	100.0%
Rural Development #2 - 03/02/45	0.00		
Total Debt Service-Commerce Park	38,000.00	537,917.00	7.1%
Participation Committee-Comm Pk			
Professional Services-Comm Pk	0.00	1,500.00	0.0%
Engineering	0.00	5,000.00	0.0%
Total Professional Services-Comm Pk	0.00	5,000.00	0.0%
Project Development-Commerce Pk			
Site Development/Marketing			
Pastcard Mailer	0.00	5,000.00	0.0%
Total Site Development/Marketing	0.00	5,000.00	0.0%
Total Project Development-Commerce Pk	0.00	5,000.00	0.0%
Site Maintenance-Commerce Park			
Insurance			
Property	0.00	583.00	0.0%
Total Insurance	0.00	583.00	0.0%

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

July 2013 through June 2014

	Jul '13 - Jun 14	Budget	% of Budget
Materials/Supplies	0.00	1,000.00	0.0%
Miscellaneous	40.46	300.00	13.5%
Rental Property Maintenance	0.00	2,500.00	0.0%
Utilities	30.06	240.00	12.5%
Total Site Maintenance-Commerce Park	70.52	4,623.00	1.5%
Total Commerce Park Expenses	40,495.87	581,357.00	7.0%
Virginia's First Expenses			
Administration Contracted -VF			
Contracted Management	0.00	12,060.00	0.0%
PDC Staff Services	1,220.04	7,000.00	17.4%
Total Administration Contracted -VF	1,220.04	19,060.00	6.4%
Administration Expenses - VA1st			
Copies/Printing	0.00	50.00	0.0%
Insurance - Public Officials	0.00	1,100.00	0.0%
Miscellaneous			
Bank Fees	227.16	1,000.00	22.7%
Other	0.00	840.00	0.0%
Total Miscellaneous	227.16	1,840.00	12.3%
Postage	0.00	50.00	0.0%
Telecommunications	306.30	1,500.00	20.4%
Transportation/Travel Per Diem	0.00	1,000.00	0.0%
Total Administration Expenses - VA1st	533.46	5,540.00	9.6%
Professional Services- VA First			
Audit Fee	0.00	3,400.00	0.0%
Legal	485.00	5,000.00	9.7%
Total Professional Services- VA First	485.00	8,400.00	5.8%
Water & Sewer Capacity Debt	17,000.00	17,000.00	100.0%
Website & Target Industry Resea			
Target Industry Research	0.00	8,000.00	0.0%
Website Analysis	0.00	2,000.00	0.0%
Website Maintenance	2,282.00	5,000.00	45.6%
Total Website & Target Industry Resea	2,282.00	15,000.00	15.2%
Total Virginia's First Expenses	21,520.50	65,000.00	33.1%
Total Expense	62,016.37	646,357.00	9.6%
Net Income	412,328.69	0.00	100.0%

Virginia's First Regional Industrial Facility Authority
(VFRIFA) Commerce Park Sole Project Sustainable
Budget Summary

Income

Interest	\$ -
Water Surcharge	\$ 1,000
Property Taxes	\$ 150,000
Farm Leases	\$ 10,000
Residential Leases	\$ -
Member Investment	\$ 412,500
VFRIFA Dues	\$ 55,000
Use of Reserve Funds	\$ -
Total Income	\$ 628,500

Expenses

Contracted Administration	\$ 25,000
Administration Expenses	\$ 1,000
2013 Debt Refinancing Payments	\$ 356,980
2013 Red Sun Financing Payments	\$ 147,835
Debt Service Reserve Fund	\$ -
Pulaski Co PSA - 2050	\$ 55,000
Board Meeting Expense	\$ 1,500
Professional Services	\$ 10,000
Site Development / Marketing	\$ 25,000
Site Maintenance	\$ 4,000
Total Expenses	\$ 626,315

Surplus or (Deficit)	\$ 2,185
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RED SUN FARMS GRADING PROJECT AGREEMENT

THIS RED SUN FARMS GRADING PROJECT AGREEMENT (the “Project Agreement”) is dated this ___ day of _____, 2013, between and among Virginia’s First Regional Industrial Facility Authority (“VFRIFA”), Pulaski County, Giles County, the City of Radford, the Town of Pulaski, and the Town of Pearisburg.

W I T N E S S E T H:

WHEREAS, on April 17, 2013, VFRIFA adopted the Resolution Approving the Issuance of Revenue Bonds by the Industrial Development Authority of Pulaski County in Support of the Commerce Park Project and Authorizing Other Matters in Connection Therewith (the “Resolution”); and

WHEREAS, pursuant to the Resolution, VFRIFA agreed to the prepayment of the Prior Bonds issued by VFRIFA, as defined in the Resolution (the “Refinancing”), and the financing of additional development in the Commerce Park, consisting of grading and associated work for Red Sun Farms (the “Grading Project”), through bonds to be issued by the Industrial Development Authority of Pulaski County (the “IDA”) and payable from payments made by Pulaski County pursuant to the Support Agreement between Pulaski County and the IDA (the “IDA Bonds”); and

WHEREAS, pursuant to the Resolution, VFRIFA recognized and agreed that reimbursement of payments made by Pulaski County pursuant to the Support Agreement for the Refinancing would be included as an annual expenditure of VFRIFA for the Commerce Park Project; and

WHEREAS, pursuant to the Resolution, VFRIFA recognized and agreed that reimbursement of payments made by Pulaski County pursuant to the Support Agreement for the Grading Project would be included as an annual expenditure under a participation agreement or other agreement to be entered into between Pulaski County and those member localities of the New River Valley Commerce Park Participation Committee (“Participation Committee”) that agreed to participate in the Grading Project; and

WHEREAS, VFRIFA and the Participation Committee authorized the issuance of 50,000 Commerce Park shares to be purchased by those member localities that desired to participate in the Grading Project; and

WHEREAS, Pulaski County, Giles County, the Town of Pulaski, and the Town of Pearisburg have agreed to participate, and the City of Radford has agreed to consider participation, in the Grading Project (the “Grading Participants”), though the purchase of additional Commerce Park shares as set forth herein;

NOW, THEREFORE, VFRIFA and the Grading Participants agree and consent as follows:

1. Expenditures for the Grading Project shall not exceed the amount of \$2,000,000.00.
2. Pulaski County agrees to purchase Ten Thousand (10,000) Commerce Park Shares at \$40.00 per share for the Grading Project in the amount of \$400,000.00.
3. The remaining \$1,600,000.00 required for the Grading Project shall be paid for using proceeds of the IDA Bonds set aside for that purpose (“Grading Project Funds”).
4. To the extent that tax revenues from the Commerce Park Project or other authorized funds are insufficient to cover the reimbursement of payments made by Pulaski County pursuant to the Support Agreement for the Grading Project, the Grading Participants agree to purchase, with the exception of the City of Radford which agrees to consider purchasing, an additional Forty-Thousand (40,000) Commerce Park Shares (“Project Shares”) at \$54.25 per share, in proportion to the Grading Participants’ individual ownership of the original 150,000 Commerce Park Shares for such purpose (See Exhibit “A”).
5. The Project Shares purchased shall not be counted for the purpose of assessing dues nor for calculating amounts that VFRIFA will expect Participation Committee Members to pay for VFRIFA’s annual expenditure to reimburse Pulaski County for payments made for the Refinancing portion of the IDA Bonds.
6. Any contribution or expenditure of any Grading Participant hereunder shall not constitute a debt or pledge of the faith and credit of such Grading Participant within the meaning of any constitutional or statutory debt limitation, and shall be subject to and dependent upon annual appropriations being made from time to time by the respective governing body of each such Grading Participant. Any contributions or expenditures of VFRIFA, or any of the Grading Participants made hereunder, to or for the benefit of Pulaski County shall be on a reimbursement basis, are not pledged toward payment of the IDA Bonds, and are not in any way intended to constitute security for the IDA Bonds.
7. If any provision of this Project Agreement is held invalid by any court of competent jurisdiction such holding shall not invalidate any other provisions hereof.
8. This Project 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 Project Agreement.

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Attest:

Approved as to form:

Secretary of the
Authority Board

Attorney, VFRIFA

Chairman, Authority Board

COUNTY OF GILES, 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

City Attorney

Mayor

EXHIBIT A - NRV Commerce Park Red Sun Farms Grading Grant Cost Per Share Calculation

<u>MEMBER</u>	<u># of 150,000</u>	<u>% 150,000</u>	<u>Share of New Debt</u>	<u>% of New Shares</u>	<u>Share of New Annual Debt Service</u>	<u># of 40,000 New Shares</u>	<u># of 2011 Shares Issued</u>	<u># of 2013 new shares</u>	<u>Total Shares</u>	<u>% Total Shares With</u>
	<u>Original Shares</u>	<u>Original Shares</u>							<u>With Maximum Exposure</u>	<u>Maximum Exposure</u>
Bland County	2,146	1.43%	\$0	0.00%	\$0	-	682		2,827	1.37%
Craig County	2,125	1.42%	\$0	0.00%	\$0	-	-		2,125	1.03%
Giles County	20,310	13.54%	\$270,795	13.54%	\$19,997	5,416	1,000		26,725	12.95%
Montgomery County	20,310	13.54%	\$0	0.00%	\$0	-	-		20,310	9.84%
Pulaski County	65,517	43.68%	\$1,090,859	74.54%	\$110,094	29,817	1,000	10,000	106,334	51.52%
Roanoke County	10,638	7.09%	\$0	0.00%	\$0	-	-		10,638	5.15%
City of Radford	8,457	5.64%	\$112,766	5.64%	\$8,327	2,255	682		11,395	5.52%
City of Roanoke	10,000	6.67%	\$0	0.00%	\$0	-	682		10,682	5.18%
Town of Dublin	1,079	0.72%	\$0	0.00%	\$0	-	1,000		2,079	1.01%
Town of Pearisburg	2,146	1.43%	\$28,607	1.43%	\$2,113	572	682		3,399	1.65%
Town of Pulaski	7,273	4.85%	\$96,973	4.85%	\$7,161	1,939	682		9,894	4.79%
TOTALS	150,000	100.00%	\$1,600,000	100%	\$147,692	40,000	6,409	10,000	206,409	100.00%

Total Debt Service Over 15 Year Term \$2,215,383
 Average for 40,000 New Shares \$40 \$3.69
 Debt Service Required for 1 Additional Share (\$3.69 times 15 years) \$55.38

Please note that if new tax revenue offsets the estimated annual debt service, no new expense or new share issue will be required.