



## 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

John C. Thompson  
Henry M. Blessing

### Craig County

Jay Polen

### Giles County

Chris McKlarney  
Richard McCoy

### Montgomery County

Carol Edmonds  
Mary W. Biggs, *Chair*

### Pulaski County

Peter M. Huber  
Shawn Utt

### Roanoke County

Charlotte Moore  
Douglas Chittum

### Wythe County

Bucky Sharitz  
Martha P. Umberger

### City of Radford

Bruce Brown  
Basil Edwards

### City of Roanoke

Brian Townsend  
Court G. Rosen

### City of Salem

John Givens  
Benjamin Tripp

### Town of Christiansburg

Randy Wingfield  
Barry D. Helms,  
*Secretary/Treasurer*

### Town of Dublin

Doug Irvin  
William H. Parker

### Town of Narrows

Clayton Davis  
Buddy Kast

### Town of Pearisburg

Kenneth F. Vittum,  
*Vice-Chair*  
Brad Jones

### Town of Pulaski

Morgan Welker  
John Hawley

**DATE:** July 1, 2009  
**TO:** *Virginia's First Regional Industrial Facility Authority Members*  
**FROM:** Joe Morgan, Executive Director  
**SUBJECT:** Annual Meeting Agenda for Wednesday, July 8

The Annual Meeting of the Virginia's First Regional Industrial Facility Authority Members will be held on **Wednesday, July 8** at 4:30 p.m. The meeting will be held at the New River Valley Competitiveness Center, Fairlawn.

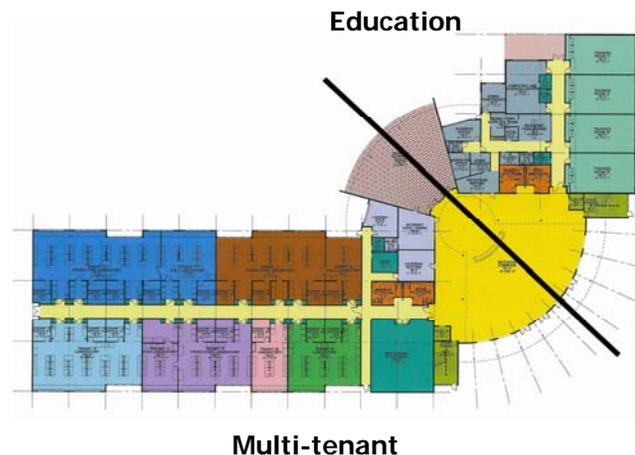
Please mark your calendar and notify us as to your plans for attendance.

1. Roll Call and Agenda Approval
2. Briefing on Project NEEMO Initiative (Nanomaterials, Energy, Environmental and Medical Operations) by Dr. John White, Director of Economic Development, Town of Pulaski
3. Public Comments
4. Approval of April 8, 2009 Minutes (*attached*)
5. Treasurer's Reports for May, June and July (*attached/to be provided at the meeting*) and Authorization for Check Signing
6. Administrative Staff Report (*attached*)
  - a. Semi Annual Program of Work Update (*attached*)
  - b. Options for Use of Surplus Funds (*attached*)
  - c. Update on Clarification of Paths for Commerce Park Scope Confirmation (*attached*)
  - d. Suggested Legislation for VA 1<sup>st</sup> Member Withdrawal (*attached*)
7. Old Business
  - a. FY 2009-10 Budget Adoption (*attached*)
  - b. Background Information by Hard Copy Notebook, Electronic Version or Web Access
8. New Business
  - a. Report from Participation Committee(s):
    - i. Commerce Park
      - a. Ratification of EDA Grant Administration Agreement between VA 1<sup>st</sup>, NRVPCD and Pulaski County PSA (*attached*)
      - b. Consent to Customer Status for Commerce Park with Pulaski County PSA Using Available Commerce Park Resources to Pledge Payment of 1 MGD Water and Sewer Capacity Reservation (*attached*)
    - ii. Nanotechnology Park
  - b. Other reports
9. Closed Session (if needed)
10. Other Business
11. Adjournment - Next scheduled meeting: January 13, 2010

## Next Steps ....

1. **Institution of a NEEMO Participation Committee by members of Virginia's First Industrial Facilities Authority** – the Authority is established specifically to provide a means by which local governments and the private sector can make the multi-year commitments needed to sustain a long-term effort such as NEEMO.
2. **Redesignation of the NRV Competitiveness Center to target incubation of NEEMO related firms** – The use of this facility as an interim home supporting NEEMO related firms would allow for the immediate implementation of NEEMO while encouraging increased use of the Center. Indeed the Competitiveness Center is currently home to Wessex, one of the Valley's more successful nano particle development firms (see [www.emisshield.com](http://www.emisshield.com) for details).
3. **Marketing to NEEMO related companies as a target of the NEEMO Participating localities and the New River Valley Economic Development Alliance** – Development of a working interaction by NEEMO participating localities and the New River Valley Economic Development Alliance is critical to the successful implementation of this project. This working interaction will provide firms with information regarding expansion options within the New River Valley and provide valuable feedback on how to best structure other components of the NEEMO initiative as we seek to successfully meet the needs of this promising technology.
4. **Designation of lot – by the Commerce Park Participation Committee as NEEMO's future home** – The designation of this lot and a commitment to contribute the value of the lot to the NEEMO project would enable the application for federal and state funding for this project.

<u>Funding Sources</u>	
Economic Development Administration	\$ 7,000,000
Commerce Park Site Contribution	\$ 350,000
Virginia Department of Transportation	\$ 450,000
Investors	\$ 7,200,000
<b>Total Funding</b>	<b>\$ 15,000,000</b>
<u>Use of Funds</u>	
Roadwork	\$ 1,200,000
Site Preparation - Phase I Competitiveness Center Dev.	\$ 50,000
Building - Phase I 35 Acre Site	\$ 10,600,000
<b>Total Costs</b>	<b>\$ 15,000,000</b>
<u>Investment Plan</u>	
300000 Shares	300,000
Per Share Value	\$ 24.00
Commerce Park Site Shares	16,935
Available Shares	283,065
Interest Rate Per Share	6%
Debt Term Per Share in Years	30
Annual Estimated Debt Payment	\$ 518,012
Annual Contribution Per Share	\$ 1.72



# Virginia's Nanotechnology Park



6580 Valley Center Drive, Suite 124  
 Radford, VA 24141  
 Contact: John B. White  
 Phone: (540) 994-8631  
 Email: [jwhite@pulaskitown.org](mailto:jwhite@pulaskitown.org)

# Project NEEMO

## Nanomaterials for Energy, Environmental, and Medical Operations

Goal - The creation of a “next curve” advanced manufacturing center at the Commerce Park

### Building on...

- Planning process financed by DHCD, ARC, EDA, and Pulaski County and Town concluded that the application of nano-particle industry was a viable economic development strategy for the New River Valley. Indeed the study found that the NRV region already was at the center of a growing core of firms involved in nano particle technology including: Wessex located in the NRV Competitiveness Center, NanoChemonics located in the Town of Pulaski, NanoSafe located in the Corporate Research Center and NanoSonic which recently expanded to Giles County. The feasibility study also identified a list of start up firms with a potential for expanding.
- Design drawings completed by Thompson-Litton for a \$15 million nanotechnology/materials science park to meet specialized needs of nano-particle firms.



However, the planning study found that there is an urgency to take advantage of the region's location at the heart of a nano-cluster, planners have recommended that a portion of the Competitiveness Center be readied as a temporary facility for firms wishing to begin manufacturing immediately. Thus, the designation of the New River Valley Competitiveness Center as the interim home for NEEMO is being proposed.



- Region's manufacturing history and culture – The past history and present economy of the region indicates that advance manufacturing (the production of products involving technically specialized and sometimes automated processes) is a natural economic transition for our community.
- Proximity to a major research university with an emphasis on materials science – Virginia Tech's nano particle research provides the technical expertise needed for the center to be successful while the proposed Center provides the location in which nano products can be manufactured and integrated into other products.
- Commercialization efforts awaiting already-existing and proposed R&D
- Emerging cluster of nano-related businesses from Danville to Wise County, from the RTP to the Triad to the Virginia Tech CRC

### Addressing...

- Economic and social shifts that imperil citizen quality of life, “livable” job availability, and local government revenues
- Uncertainty spawned by a recessionary economy
- “Brain-drain” of local students (both traditional and adult)

### Furthering...

- Branding of the towns, counties, and villages as “communities of opportunity”
- Mixed economic model for the area's success combined with being a first-class locale for learning, a recreational Mecca, and a good place to invest and do business

### The Park itself...

- Centered around an iconic structure, the like of which we do not have, that invites and encourages investors seeking to commercialize their R&D
- Room to grow and expand from start-ups to build-ups to full-scale manufacturing
- Where “learning” and “doing” take place simultaneously

**Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**Meeting Minutes**  
**April 8, 2009**

**1. Roll Call and Designation of Substitute Annual Meeting**

Chairman McKlarney called the meeting of the Authority to order. A roll call of the Board of Directors was taken and a quorum determined (see attached).

**2. Approval of February 11, 2009 Meeting Minutes**

Motion: Ms. Biggs moved the Board approve the February 11, 2009 Authority meeting minutes. Mr. Utt seconded the motion.

Action: The motion carried unanimously.

**3. Treasurer's Report for March and April 2009**

Mr. Rundgren reviewed the Treasurer's Reports for March and April 2009, a copy of which is filed with the records of this meeting. The accounts payable for the last two months include AEP; Guynn, Memmer & Dillon; NRV Development Corporation; NRVPC; Olver, Inc.; and Joe Morgan.

Motion: Ms. Biggs moved the Board approve the March and April 2009 treasurer's reports and authorize payment of accounts payable as presented. Mr. Utt seconded the motion.

Action: The motion carried unanimously.

**4. Administrative Staff Report**

**a) Proposed Program of Work – 2009 to 2011**

Mr. Morgan presented a detailed staff report and proposed Program of Work for the Authority and its participation committees for 2009-2011. A copy of both are filed with the records of this meeting. He asked if there were any further questions about the program of work discussed during the Commerce Park Participation Committee meeting preceding this Authority meeting, at which all Authority members attending this Authority meeting were also present. No questions were asked.

**b) Proposed 2009-2010 Budget**

Mr. Morgan asked if there were any further questions about the proposed budget discussed during the participation committee. No questions were asked.

**5. Old Business**

**a) Action Items from Program of Work**

**i. Acceptance of Program of Work and Semi-Annual Review Cycle**

Motion: Mr. Huber moved the committee accept the program of work and semi-annual review cycle. Ms. Biggs seconded the motion. A copy of the Program of Work is filed with the records of this meeting.

Action: The motion carried unanimously.

**ii. Long Term Engagement of Executive Director and / or Other Staff**

Mr. Morgan advised he had completed the first three months of his engagement in the role of executive director designate, during which he conducted a Scope of Review of the mission and activities of the Authority, as well as prepared a recommended Program of Work for the Authority and its participation committees for the next two years. He also advised that there is sufficient work, in his opinion, to engage a part time executive director to guide and support the staff work for the Authority that is provided by the New River Valley Planning District (NRVPDC). He agreed to serve on the terms and conditions included in his letter of engagement dated December 30, 2008 and accepted for the Authority by Chairman Chris McKlarney on January 6, 2009, a copy of which is filed with the records of this meeting. He noted that alternatives to his engagement are to use the service of Mr. Brian Carroll, another candidate for the executive director's position, either separately or in combination with Mr. Morgan's services, with Mr. Carroll focusing on Commerce Park site development. Mr. Morgan recommended continuing the staff services from the NRVPDC for record keeping, financial and information technology, as well as for site coordination. It was confirmed that Mr. David Ratcliff of the NRVPDC staff is available to assist with site coordination and that NRVPDC Executive Director David Rundgren continues to be available to help coordinate services to Virginia's First. It was noted that Regional Planner Christy Straight is the lead NRVPDC staff member assisting the Authority and that NRVPDC Information Systems Manager Jan Gilbertson and NRVPDC Program Administrator Janet McNew provide key support.

Motion: Mr. Townsend moved the Board of Directors engage Joseph N. (Joe) Morgan as Executive Director of Virginia's First, in accordance with the terms of the letter of engagement dated December 30, 2008 and accepted by the Authority on January 6, 2009, as well as continue to receive staff support from NRVPDC, but not hire Mr. Carroll. Mr. Parker seconded the motion.

Action: The motion carried unanimously.

### **iii. 2009 – 2010 Budget Adoption**

Mr. Morgan stated that even though a vote on expenditures can be postponed until the next meeting, action is needed for billing member localities for the \$5000 annual dues. Ms. Edmonds asked if a motion is required for billing dues; a motion is specifically required to not bill the dues. Discussion followed about continuing charging the annual dues.

Motion: Mr. Wingfield moved the board waive dues for the upcoming year. No second was voiced.

Action: The motion failed with Mr. Wingfield voting yes and all others opposed.

The board directed Mr. Morgan to add to the work plan an examination of dues contributed in relation to the necessary money for future costs and determine an equitable distribution of the financial contribution across localities. Mr. Huber suggested the Town of Christiansburg submit in writing a description of their proposal for waiving dues.

### **iv. Regional Workforce Analysis Procurement**

This item was addressed in the participation committee and no further discussion occurred under this agenda item.

### **b) Nominating Committee Report and c) Executive Committee Authorization for Six Months Trial**

Mr. Hawley reported the committee contacted members about serving as officers and presented the slate for the authority: Mary Biggs, chairman; Ken Vittum, Vice-chairman, and Barry Helms, Secretary/Treasurer. He also stated the committee recommends two at-large members be appointed from other localities (Roanoke County, City of Roanoke, Pulaski County, Town of Pulaski). At-large members will be nominated after consideration among locality members.

Motion: Mr. Edwards moved the committee approve the slate of officers. Mr. Utt seconded the motion.

Action: The motion carried unanimously.

## **6. New Business**

### **a) Report from Participation Committee(s):**

#### **i. Commerce Park**

All members were present for Participation Committee discussion, no report given.

#### **ii. Nanotechnology Park**

Mr. John White updated the board on the progress of Project NEEMO (Nanomaterials Energy Environmental Medical Operations). The group has a planning matrix and are discussing phasing of the project to create manageable funding options. The committee plans to present a prospectus at the July meeting. Participation committee members currently include the Town of Pulaski and Pulaski County. Mr. Utt invited other authority members to get involved in the planning regardless of whether they choose to participate financially.

## **7. Closed Session**

No closed session was held.

## **8. Other Business**

No other business was brought before the committee.

## **9. Adjournment**

With no further business to discuss, the meeting adjourned at 7:15 pm. The next meeting will be held on July 8, 2009.

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director

Barry Helms, Secretary / Treasurer

**Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**Attendance**

April 8, 2009  
New River Competitiveness Center  
Radford, VA

<b>Jurisdiction</b>	<b>Member</b>	<b>Alternate</b>
Bland County	( ) John C. Thompson ( ) Henry M. Blessing	( ) Jonathan Sweet
Craig County	( x ) Jay Polen	
Giles County	( x ) Chris McKlarney ( ) Richard McCoy	
Montgomery	( x ) Mary Biggs ( x ) Carol Edmonds	( ) Bob Isner
Pulaski County	( x ) Shawn Utt ( x ) Peter Huber	( ) Joe Sheffey ( ) Ronnie Coake
Roanoke County	( ) Charlotte Moore ( x ) Douglas Chittum	( ) Joseph "Butch" Church ( ) Jill Loope
Wythe County	( ) Bucky Sharitz ( ) Martha P. Umberger	
City of Radford	( ) Bruce Brown ( x ) Basil Edwards	
City of Roanoke	( ) Court Rosen ( x ) Brian Townsend	( ) Anita Price
City of Salem	( ) John Givens ( ) Benjamin Tripp	
Town of Christiansburg	( x ) Randy Wingfield ( ) Barry Helms	
Town of Dublin	( x ) Bill Parker ( ) Doug Irvin	
Town of Narrows	( ) Clayton Davis ( ) Buddy Kast	
Town of Pearisburg	( x ) Brad Jones ( x ) Ken Vittum	
Town of Pulaski	( x ) Morgan Welker ( x ) John Hawley	

**Others Present:** Rick DiSalvo, Theron Barrineau, John White, Jeff Worrell, Randy Wingfield

**Staff Present:** Joe Morgan, Dave Rundgren, Christy Straight

**VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**MAY 13, 2009**

<b>Balance Forward April 8, 2009</b>		<b>1,121,241.67</b>
	Dues/Shares/Rents Received 4/09-4/30	206.00
	Interest Earned April 2009	800.42
	Analysis Charge 4/10/09 for March 2009	(102.28)
	Chargeback - Lester	(206.00)
		698.14
		698.14
<b>Balance April 30, 2009</b>		<b>1,121,939.81</b>
	Dues/Shares/Rents Received 5/1-5/13	216.00
	Less Analysis Charge 5/08/09 for April 2009	(108.20)
	Rural Development Loan Payment	(10,258.00)
		(10,150.20)
		(10,150.20)
	Accounts Payable May 13, 2009	
	AEP	49.87
	Anderson & Associates	4,400.00
	Joe Morgan	2,101.75
	NRV Development Corporation	25.00
	NRVPDC (March 2009)	3,633.05
		10,209.67
	Total Accounts Payable	(10,209.67)
<b>Balance May 13, 2009</b>		<b>1,101,579.94</b>
<b>Total Available Funds</b>		
<b>Virginia First Available Balance</b>		<b>738,413.44</b>
	Commerce Park Balance	363,166.50
	Less Reserve	
	Rural Development Loan #1	119,448.00
	Rural Development Loan #2	123,096.00
		242,544.00
		(242,544.00)
<b>Commerce Park Balance</b>		<b>120,622.50</b>
<b>Total Available less Reserves</b>		<b>859,035.94</b>
<b>Property Owned</b>		
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
<b>Total Assets</b>		<b>6,891,385.06</b>
	Bank Loan (phase 1)	1,223,303.00
	RD Loan (phase 1)	1,995,663.00
	RD Loan (phase 2)	2,243,313.00
<b>Total Liabilities</b>		<b>5,462,279.00</b>

**VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**JUNE 10, 2009**

<b>Balance Forward May 13, 2009</b>		<b>1,101,579.94</b>
	Dues/Shares/Rents Received 5/14-5/31	0.00
	Interest Earned May 2009	814.88
		814.88
		814.88
<b>Balance May 31, 2009</b>		<b>1,102,394.82</b>
	Dues/Shares/Rents Received 6/1-6/10	416.00
	Less Rural Development Loan Payment	(10,258.00)
		(9,842.00)
		(9,842.00)
	Accounts Payable June 10, 2009	
	AEP	50.82
	NRV Development Corporation	25.00
	NRVPDC (April 2009)	5,686.57
		5,762.39
	Total Accounts Payable	(5,762.39)
<b>Balance June 10, 2009</b>		<b>1,086,790.43</b>
<b>Total Available Funds</b>		
<b>Virginia First Available Balance</b>		<b>737,147.19</b>
	Commerce Park Balance	349,643.24
	Less Reserve	
	Rural Development Loan #1	119,448.00
	Rural Development Loan #2	123,096.00
		242,544.00
		(242,544.00)
<b>Commerce Park Balance</b>		<b>107,099.24</b>
<b>Total Available less Reserves</b>		<b>844,246.43</b>
<b>Property Owned</b>		
	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
<b>Total Assets</b>		<b>6,891,385.06</b>
	Bank Loan (phase 1)	1,223,303.00
	RD Loan (phase 1)	1,995,663.00
	RD Loan (phase 2)	2,243,313.00
<b>Total Liabilities</b>		<b>5,462,279.00</b>

**VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**JULY 8, 2009**

**Balance Forward June 10, 2009** **1,086,790.43**

Dues/Shares/Rents Received 6/11-6/30	641.69	
Interest Earned June 2009	774.13	
Analysis charge 6/12/09 (for May 2009)	(112.91)	
	1,302.91	1,302.91

**Balance June 30, 2009** **1,088,093.34**

Dues/Shares/Rents Received 7/1-7/8	2,875.54	
Less Rural Development Loan Payment	(10,258.00)	
	(7,382.46)	(7,382.46)

Accounts Payable June 8, 2009

AEP - estimated	54.00	
Joe Morgan (May & June)	4,162.25	
NRVPDC (May 2009)	4,645.66	
The Pulaski County Patriot	150.00	
The Southwest Times	234.00	
VaRISK 2	550.00	

Total Accounts Payable	9,795.91	(9,795.91)
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**Balance July 8, 2009** **1,070,914.97**

**Total Available Funds**

**Virginia First Available Balance** **735,328.48**

Commerce Park Balance		335,586.49
Less Reserve	Rural Development Loan #1	119,448.00
	Rural Development Loan #2	123,096.00
		242,544.00

**Commerce Park Balance** **93,042.49**

**Total Available less Reserves** **828,370.97**

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 7/8/2009	
<u>Total Balance</u>	\$	<u>93,042.49</u>
Restricted Balance	\$	15,559.73
<u>Unrestricted Balance</u>	\$	<u>77,482.76</u>



## Virginia's First Regional Industrial Facility Authority

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Brad Jones

### Town of Pulaski

Morgan Welker  
\*John Hawley

\* *Executive Committee*

**DATE:** July 1, 2009  
**TO:** Virginia's First Regional Industrial Facility Authority Members  
**FROM:** Joe Morgan  
**SUBJECT:** July 8, 2009 Meeting – Administrative Staff Report

- **Briefing on Project NEEMO Initiative (Nanomaterials, Energy, Environmental and Medical Operations) by Dr. John White, Director of Economic Development, Town of Pulaski** – Dr. White has led the ad hoc committee considering the organization of Project NEEMO as a Virginia's First Participation Committee. The project evolved from Economic Development Administration (EDA), Community Development Block Grant (CDBG), and Appalachian Regional Commission (ARC) grants acquired by the New River Valley Planning District and matched by the Town of Pulaski and Pulaski County. *Attached* is a draft prospectus describing the project and a suggested investment framework. Consulting expertise on Project NEEMO was provided by the Weldon Cooper Center of the University of Virginia, the Virginia Tech Office of Economic Development, Hill Studio, Draper Aden Associates, McKinney & Company and Thompson & Litton. Jack Murphy of Thompson & Litton will assist Dr. White with the presentation, particularly regarding site planning for location of the Virginia Nanotechnology Park at the Commerce Park.
- **Public Comments** – No requests to make comment have been received, but are welcome.
- **Treasurer's Reports for May, June and July (*attached/to be provided at the meeting*) and Authorization for Check Signing** – In addition to accepting the reports, authorization for any two of the following to sign checks on behalf of the Authority is requested: Virginia's 1<sup>st</sup> Officers (Mary Biggs, Chair; Ken Vittum, Vice-Chair; Barry Helms, Secretary Treasurer); Commerce Park Participation Committee Officers (Chris McKlarney, Chair; Basil Edwards, Vice-Chair; Shawn Utt, Secretary / Treasurer); David Rundgren, New River Valley Planning District Executive Director; and Joe Morgan, Virginia's 1<sup>st</sup> Executive Director.
- **Administrative Staff Report (*attached*)**
  - **Semi Annual Program of Work Update (*attached*)** – Questions regarding progress on the Program of Work can be addressed as the Board members desire.
  - **Options for Use of Surplus Funds (*attached*)** – It is recommended that members be allowed discretion on uses of surplus funds not needed for general Authority administration. The amount per member is now estimated at \$40,000 each. Included with the suggested options are calculations to explain the accumulation of surplus funds. In general, the Authority wide expenses, less interest earned, have used only about \$10,000 of the \$60,000 total dues paid by members over the last twelve years. Even with reserving \$10,000 per member for future contingencies and reserve, \$40,000 per member can be declared surplus. Confirmation of member discretion on use of surplus funds attributed to each member's contributions can be documented in the clarification of overall Authority and Commerce Park member agreements, as noted in the next agenda item.

- **Update on Clarification of Paths for Commerce Park Scope Confirmation** – As instructed at the April 8 Authority meeting, I consulted with Montgomery County Attorney Marty McMahon regarding updates needed to the Authority and Commerce Park documents. The attached matrix shows various paths to accomplish confirmation of the scope of the current Authority and Commerce Park undertakings, as well as issues regarding organizational structure. Also attached are recommendations of Attorney McMahon for getting documentation in order. The preferred path is to revise both the Authority organizational agreement and the Commerce Park participation agreement. Authorization is requested to pursue the updates over the next six months. During that time, all member governments should be contacted and asked to approve the updates. Formal ratification of the updates by the Authority can be scheduled for the January 2010 Authority meeting. Individual member government approval of the updates can be scheduled, as practical over the fall and winter.
- **Suggested Legislation for VA 1<sup>st</sup> Member Withdrawal UIB** – Wording of an amendment to the Code of Virginia to allow member withdrawal is attached. The concept is to provide a withdrawal mechanism once all debt and two years advance dues commitment is made. Also included is a provision that a majority of current members can approve a withdrawal that retains some interest in previous dues contributions. As provided in the Commerce Park Participation Agreement, and likely with other participation agreements that may be established, Commerce Park members may also sell shares to limit their future participation.
- **FY 2009-10 Budget Adoption** – Approval of the attached budget is requested. The budget is balanced and includes no project funding. Any project funding, such as suggested for workforce analysis, website development or site strategic planning will be presented at a later date, following related in-house staff work.
- **Background Information by Hard Copy Notebook, Electronic Version or Web Access** – Chair Biggs suggested compiling a resource of Virginia 1<sup>st</sup> and Commerce Park material for members. Staff hopes to have some examples for viewing at the July 8 meeting. In addition to hard copy, the background material is also available in digital form on a CD or jump drive. The information can also be posted in PDF format on the NRV Planning District webpage. Board members are requested to advise what format is best for their information management style.
- **Report from Participation Committee(s):**
  - **Commerce Park**
    - **Ratification of EDA Grant Administration Agreement between VA 1<sup>st</sup>, NRVPCD and Pulaski County PSA** Ratification of the attached agreement that was executed on March 11 is requested. The agreement sets a lump sum \$55,000 payment to the PDC for the work. Virginia's 1<sup>st</sup> is a party to the agreement as a co-applicant for the EDA grant, but not sharing in the cost.
    - **Consent to Customer Status for Commerce Park with Pulaski County PSA Using Available Commerce Park Resources to Pledge Payment of 1 MGD Water and Sewer Capacity Reservation** – To meet the \$1.3 million estimated funding commitment and guarantee reservation of water and sewer capacity, a customer status agreement is recommended for the Commerce Park with the Pulaski County PSA. This status will be helpful to the PSA in securing all financing needed for the match of the \$3 million EDA grant for water and sewer capacity upgrade. It will also create no burden on the Commerce Park to secure separate financing. It will allow the Commerce Park to pledge whatever assets it has available to pay the availability fee, estimated to be between \$55,000 and \$60,000 per year. See (attached) “Suggested Components for an Agreement Between Virginia First Regional Industrial Facility Authority and the Pulaski County Public Service Authority Regarding Water and Sewer Capacity” “Example of Funding Sources for \$1.3 Million Commerce Park Water and Sewer Expansion Pledge Assuming 2.75% Interest Rate Over 38 Years and 1 Year Capitalized Interest”, and “Commerce Park 1 MGD Water and Sewer Upgrade Cost Estimate and Allocation”.

**Nanotechnology Park** – Additional information or action may be appropriate regarding Project NEEMO.

- **Adjournment - Next scheduled meeting: January 13, 2010** – In the interim the Executive Committee will advise staff on any matters needing action and appropriate reporting will be made to the membership.

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

Adopted 4-08-09

	<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
<b>GOVERNANCE</b>				
<b>Board of Directors</b>	Continue coordinating with member local governments, including FOI, Financial and other required disclosures	Staggered terms expire June 30, 2010 & 2012	April - May 2010 & 2012	Straight / Morgan
<b>Officers</b>	Chairman to continue appointing nominating committee 4 - 6 months prior to end of terms	<i>Completed for 2009</i>	March - May 2009 & 2010	Straight / Morgan
<b>Executive Committee</b>	Include officers and 2 at large members for 6 months trial	In place except for choice of Pulaski County /Pulaski Town designee and Roanoke County / Roanoke City designee	April 2009 to September 2010	Morgan
<b>Executive Director</b>	Designate Joe Morgan Executive Director on contract basis April 2009 to June 2011 OR Continue service of PDC Executive Director OR Engage alternate candidate	<i>Joe Morgan engaged</i>	April 09 VA 1st Board Meeting	
<b>MEETINGS</b>				
	Use semi-annual scheduled meetings, with called meetings if needed	<i>Semi-annual meetings scheduled for 7/8/09, 1/13/10 and 7/14/10</i>	Try for 2009-10	
<b>MEMBERSHIP</b>				
<b>Periodic Updates</b>	Add semi-annual update by Executive Director to Member CAO or Governing Body, as best suits each member government	Contacts being made. Salem, Montgomery County and Wythe County visited	Try for 2009-10	Morgan
<b>Additions / Withdrawals</b>	VA 1st members to consider membership change arrangements, including legislation, that would allow amicable membership changes	Draft legislation to be reviewed in July 2009	Prepare for 2010 General Assembly	Morgan
<b>ADMINISTRATION</b>				
<b>Executive Director</b>	Transfer to Permanent Executive Director with PDC Executive Director as Advisor	<i>Completed</i>	April - June 09	Rundgren / Morgan
<b>Financial Accounting</b>	Retain at NRVPDC	<i>NRVPDC Maintains</i>	April - June 09	McNew / Morgan
<b>Record Keeping</b>	Retain at NRVPDC with remote laptop access	<i>PDC Maintains</i>	April - June 09	Straight / Morgan
<b>Office / Meeting Space</b>	Retain at NRVPDC as well as use of Morgan home office	<i>Completed</i>	2009 - 2011	Rundgren / Morgan

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

Adopted 4-08-09

<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
<b>ADMINISTRATION (Continued)</b>			
<b>Communications</b>			
Agendas	Retain at NRVPDC, with notebook format available for each member that includes Program of Work, minutes, staff reports, etc.	Hard copy, digital or webpage format to be reviewed on July 8	April - June 09     Straight / Morgan
Correspondence	Retain at NRVPDC	<i>PDC Maintains</i>	April - June 09     Straight / Morgan
Telephone	Use PDC landline and cell/PDA for Ex Dir	<i>PDC Maintains</i>	April - June 09     Gilberston/ Morgan
E-mail	Use PDC mail server and wireless PDA for Ex Dir	<i>PDC Maintains</i>	April - June 09     Gilberston/ Morgan
Internet	Update VA 1st Website	<i>PDC Maintains</i>	2009-10     Gilberston/ Morgan
<b>PROFESSIONAL SERVICES</b>			
<b>Legal Counsel</b>	Update procurement	Jim Guynn	2009-10     Morgan
<b>Financial Auditor</b>	Update procurement	Robinson, Farmer, Cox	2009-10     Morgan
<b>Engineering</b>	Update procurement	Draper-Aden / Anderson&Assoc	2009-10     Morgan
<b>STRATEGIC PLANNING</b>			
<b>Regional Economic Development Needs</b>	Emphasis on current regional workforce strengths and regional site development opportunities	Reassessment is due 10 years since VA 1st formed	2009-10     Morgan
<b>Regional Economic Development Opportunities</b>	Explore opportunities for investment and revenue sharing for all VA 1st members through new participation committees	VA 1st has established no regional projects except Commerce Park and recent Nanotechnology initiative	2009-11     Morgan
<b>Frequency</b>	Initial 2 year cycle of review and re adoption	Based on New Century Council Initiative of 1990's	2009-11     Morgan
<b>FINANCE</b>			
<b>Dues</b>	Reassess long term requirements	\$1,500 - \$2,000 adequate	2009-10     Morgan
<b>Banking Use of Reserve</b>	Update procurement	Coordinated through NRVPDC	2009-10     Rundgren / Morgan
Proposed Regional Economic Development Grant and Loan Program	Revisit as a mechanism to insure all VA 1st members have access to VA 1st resources	Up for review on July 8	2009-10     Morgan
Support of Participation Committees	Consider equitable policy to allow access without restricting non-participating members	Up for review on July 8	2009-10     Morgan
<b>Budgeting</b>	Assign to Executive Director	<i>Completed</i>	2009     Rundgren / Morgan

<u>Review of VA 1st Surplus Dues Exclusive of Interest Earned</u>	<u>Total Expense and Revenue 1990 - 2008</u>	<u>Average Full Year 1998 - 2008</u>	<u>2009 Year to Date</u>	<u>2009-10 Projected</u>
<b>Historical Trends</b>				
General Expenses	\$ 36,474.41	\$ 3,647.44	\$ 632.02	\$ 8,776.00
Contracted Administration	\$ 91,680.03	\$ 9,168.00	\$ 9,287.21	\$ 17,326.00
VA 1st General Operation Expense	\$ 128,154.44	\$ 12,815.44	\$ 9,919.23	\$ 26,102.00
VA 1st Dues	\$ 737,500.00	\$ 73,750.00	\$ 75,000.00	\$ 75,000.00
Surplus	\$ 609,345.56	\$ 60,934.56	\$ 65,080.77	\$ 48,898.00
Surplus Per Commerce Park Participant	\$ 40,623.04	\$ 4,062.30	\$ 4,338.72	\$ 3,259.87
Surplus for All 11 Commerce Park Participants	\$ 446,853.41	\$ 44,685.34	\$ 47,725.90	\$ 35,858.53
<b>Current Status - June 2009</b>				
Surplus VA 1st Cash			\$ 737,147.19	
Surplus per VA 1st Member			\$ 49,143.15	
Surplus per Commerce Park Member			\$ 49,143.15	
Surplus for all Commerce Park Members			\$ 540,574.61	
Surplus for all non-Commerce Park Members			\$ 196,572.58	

# Virginia's First Dues Investment

Locality	Dues	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 20003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY2009	Locality's Total Dues	% of Virginia's
														Invested (through FY 2009)	First Total Investment
Bland	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Craig	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Giles	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Montgomery	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Pulaski Co	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Roanoke Co	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Wythe	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Radford	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Roanoke City	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Salem	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Christiansburg	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Dublin	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Narrows	5,000.00	\$ 5,000.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00			\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 47,500.00	5.4%
Pearisburg	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
Pulaski	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	6.8%
<b>Total dues paid</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>72,500.00</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>70,000.00</b>	<b>70,000.00</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>70,000.00</b>	<b>70,000.00</b>	<b>75,000.00</b>	<b>887,500.00</b>	<b>100.0%</b>

	1998-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total	Projected 2009/10'
<b>Dues</b>	<b>145,000.00</b>	<b>70,000.00</b>	<b>70,000.00</b>	<b>70,000.00</b>	<b>70,000.00</b>	<b>72,500.00</b>	<b>82,500.00</b>	<b>62,500.00</b>	<b>87,500.00</b>	<b>82,500.00</b>		<b>812,500.00</b>	<b>75,000.00</b>
<b>Interest paid</b>	1,140.29	3,196.38	2,458.26	947.28	564.29	616.63	648.41	16,849.70	23,551.31	10,020.63	1,770.58	61,763.76	
<b>Other income</b>				556.86									
<b>Total income</b>	<b>146,140.29</b>	<b>73,196.38</b>	<b>72,458.26</b>	<b>71,504.14</b>	<b>70,564.29</b>	<b>73,116.63</b>	<b>83,148.41</b>	<b>79,349.70</b>	<b>111,051.31</b>	<b>92,520.63</b>	<b>1,770.58</b>	<b>874,820.62</b>	
<b>Total income</b>	146,140.29	73,196.38	72,458.26	71,504.14	70,564.29	73,116.63	83,148.41	79,349.70	111,051.31	92,520.63	1,770.58	874,820.62	75,000.00
<b>Expenses</b>	11,012.66	13,895.26	15,760.13	24,241.20	7,147.64	11,347.84	8,693.36	11,407.80	11,800.45	12,855.30	9,919.23	138,080.87	26,102.00
<b>Balance</b>	<b>135,127.63</b>	<b>59,301.12</b>	<b>56,698.13</b>	<b>47,262.94</b>	<b>63,416.65</b>	<b>61,768.79</b>	<b>74,455.05</b>	<b>67,941.90</b>	<b>99,250.86</b>	<b>79,665.33</b>	<b>-8,148.65</b>	<b>736,739.75</b>	<b>48,898.00</b>
													<b>785,637.75</b>

**Accounts receivable** 2,500.00 5,000.00 5,000.00  
(over 60 days past due)

\*Projected expenses do not include \$66,346 in project development money

Amount available by jurisdictional contribution

13 jurisdictions current in dues 49,115.98

Town of Narrows 36,615.98

# Virginia's First Regional Industrial Facility Authority

## Reserve Fund Use Options

	Notes:	Amount
<b>Estimated Minimum VA 1st Reserve July 1, 2009</b>	Based on \$737,147.19 6/10/09 balance and \$48,898 expected FY 2009-10 surplus	\$750,000

### **Options for Use of Cash Reserve**

Retainage for Continuing VA 1st Administration	A reasonable amount should be retained for organizational continuity and flexibility.	\$ 150,000.00
Available for Member(s) Use	Approximate amount available July 1, 2009 including current balance and surplus dues for 2009-10, estimated at \$40,000 per member.	\$ 600,000.00

### Individual VA 1st Member Options

Refund	Members not investing in a participation project may desire return of investment.	\$ 40,000.00
Drawdown Against Future or Past Dues	Members not investing in a participation project may desire application toward future dues or catch up on any past dues.	\$ 40,000.00

### Joint or Individual VA 1st Member Options

Investment in Commerce Park Equity	Current members have invested \$38.40 cents per share in the Commerce Park principal of \$5.76 million. At \$40 per share 1,000 shares could be purchased for a one time payment of \$40,000. An alternative might be to invest \$40,000 for 1,600 shares to catch up with the current 11 member investment of financed debt at \$25 per share for 9 years of payments to date. The catch up investment would be matched with a pledge at \$2.75 per year (\$1,600) and pledge to make the remaining 29 years payments at \$2.75 per share or \$4,400 per year .	\$40,000 to \$600,000
Investment in Project NEEMO	Members may wish to make an investment or contribution to Project NEEMO, now estimated at about \$1.60 to \$1.80 per year per share if \$6 to \$7 million is financed.	\$40,000 to \$600,000
Investment in Future Participation Projects	Members may wish to invest portions of their reserve fund in a future project.	\$40,000 to \$600,000
Investment in Commerce Park Infrastructure	The current 11 Commerce Park members may wish to pledge their combined reserve of about \$440,000 for the Commerce Park 1 MGD water and sewer availability payment.	\$ 440,000.00
Loan to Future Participation Projects	Members might choose to individually or collectively loan reserve funds to future projects.	\$40,000 to \$600,000
Loan to Commerce Park Infrastructure	Members might choose to individually or collectively loan reserve funds for Commerce Park infrastructure investment.	\$40,000 to \$600,000

<p><b><u>Paths to Document Scope of Commerce Park</u></b></p> <p>A - Recommended by Montgomery County  B - Included in Draft Commerce Park Agreement Amendment #2  C - Already a Matter of Record  D - VA 1st Authority Agreement and/or New Participation Committee</p>	Recommended by Montgomery County in 5-13-09 Issue Statement	Can Be Included in Draft Amendment #2	Supported by VA 1st Attorney's 11-5-08 Letter to Attorney General	Implied by Minutes and Past Action of VA 1st and Commerce Park, i.e. 8-8-01 agreement	Included in VA 1st Program of Work Adopted 4-1-09 & 5-13-09 or Suggested by VA 1st Staff	May Best Be Accomplished Through Authority Agreement Amendment or New Participation Committee
<u>Action by VA 1st</u>						
100% Vote Desired on Pledging Accumulated Cash or Property for Projects of the Participating Committees	A					
Accumulated Assets May Be Allocated by Majority Vote of VA 1st Membership			C	C		D
Waiver Procedure to Confirm Consent When Member(s) Not Present or Voting				C		D
Clarify Participation Committees Controls Assets for Projects With No Veto to Non-participants				C		D
<u>Action by Commerce Park Participation Committee</u>						
Confirmation of Scope Expansion to Cover Current Acreage, Acknowledge Surplus Acreage Disposition and Swap of Land with Airport	A	B		C		
Agreement with PDC, Pulaski County PSA & VA1st for EDA Grant Administration	A	B			C	D
Endorsement of Pulaski County PSA / Radford City Water Capacity Expansion	A	B			C	D
Agreement of Pulaski County PSA & VA1st for Water & Sewer Capacity, Easements, \$1.3 Million Match and Surcharge for Match Recovery	A	B				
Amendment to Participation Agreement for Real Estate and Business Personal Property Tax Sharing	A	B			C	D
Amendment to Participation Agreement for Variable Lot Size	A	B			C	
Clarification the Scope of Project Expansion Unanimous Consent Related Only to New Debt Issuance		B		C		
100% Vote of All Members for Scope Increase and Funding	A					D
Waiver Procedure to Confirm Consent When Member(s) Not Present or Voting		B		C	C	
Endorsement of the Updated Business Plan, Including Pledging Shared Revenues from the 1st 7 Years of a Project Location for Granting and Financing Location Incentives		B			C	
Pledging or Transferring Assets of the Commerce Park for New Economic Development Initiatives, such as Project NEEMO		B		C	C	D
Recognize Shelor Motor Mile 11-3-05 Agreement		B		C		

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

THIS SECOND AMENDMENT TO THE PARTICIPATION AGREEMENT (the “Second Amendment to Participation Agreement”) is dated this \_\_\_ day of \_\_\_\_\_, 2009 between and among Virginia’s First Regional Industrial Facility Authority and the Participants defined below.

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 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; (2) by amending the required voting approval before the Participation Committee may 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 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 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; 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.

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:

- the acquisition of an additional 700 acres of land located in Pulaski County, Virginia adjoining the current acreage that makes up the New River Valley Commerce Park.
- the extension of water and sewer lines and related increase in capacity up to a million gallons per day to serve the New River Valley Commerce Park.
- The development of the New River Valley Commerce Park shall include not only the marketing and development of large lots but also smaller lots in order to maximize the development of the Park.

3. Paragraph II of the Participation Agreement is hereby amended to require that 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 a affirmative vote of two-thirds of the Participants.

4. The Financing Plan as defined in paragraph IX of the Participation Agreement is hereby amended to include the following additional sources of revenue:

- 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.
- A \$3.1 million loan/grant from the Economic Development Administration to be used for the purpose of extending water and sewer infrastructure to serve the New River Valley Commerce Park.
- A \$1,376,831 Commercial Bank Loan used to purchase 700 additional acres of land.

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 the Participants.

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

Suggested wording to amend and reenact § [15.2-6415](#) of the Code of Virginia, relating to the Virginia Regional Industrial Facilities Act.

Be it enacted by the General Assembly of Virginia:

1. That § [15.2-6415](#) of the Code of Virginia is amended and reenacted as follows:

§ [15.2-6415](#). Dissolution of authority; withdrawal of locality.

A member locality of an authority may, *with the majority approval of all other members of such authority*, withdraw from the authority only (i) upon dissolution of the authority as set forth herein, or (ii) *upon a resolution adopted by the governing body of a member locality and after satisfaction of such member locality's legal obligations, including repayment of its portion of any debt incurred, with regard to the authority, or after making contractual provisions for the repayment of its portion of any debt incurred, with regard to the authority, as well as pledging to pay general dues for operation of the authority for two years following the effective date of withdrawal. No member seeking withdrawal shall retain, without the consent of a majority of the remaining members, any rights to contributions made by such member, to any property held by such authority or to any revenue sharing as allowed by 15.2- 6406 and 15.2-6407 . Upon withdrawal, the withdrawing member shall also return to the authority any dues or other contributions refunded to such member during its membership in the authority.* Whenever the board determines that the purpose for which the authority was created has been substantially fulfilled or is impractical or impossible to accomplish and that all obligations incurred by the authority have been paid or that cash or a sufficient amount of United States government securities has been deposited for their payment, or provisions satisfactory for the timely payment of all its outstanding obligations have been arranged, the board may adopt resolutions declaring and finding that the authority shall be dissolved. Appropriate attested copies of such resolutions shall be delivered to the Governor so that legislation dissolving such authority may be introduced in the General Assembly. The dissolution of an authority shall become effective according to the terms of such legislation. The title to all funds and other property owned by such authority at the time of such dissolution shall vest in the member localities which have contributed to the authority in proportion to their respective contributions.

# Virginia's First Regional Facility Authority Proposed Budget 2009-2010

**New River Valley Commerce Park  
Budget Adopted May 13, 2009  
July 2009 - June 2010**

		<b>FY 2010 Proposed</b>
Contracted Administration:		\$43,360
Administration Expenses		\$6,035
Project Development		
Professional Services		\$4,600
Site Manintenance		\$17,836
Capital Outlay		\$0
Total Debt Service		<u>\$356,525</u>
Total Expenses		<u>\$428,356</u>
Participant Shares		
	Bland County	\$5,900
	Craig County	\$5,844
	Giles County	\$55,851
	Montgomery County	\$55,851
	Pulaski County	\$180,172
	Roanoke County	\$29,255
	City of Radford	\$23,258
	City of Roanoke	\$27,500
	Town of Dublin	\$2,968
	Town of Pearisburg	\$5,900
	Town of Pulaski	\$20,001
Subtotal Shares		<u>\$412,500</u>
Interest (Estimated)		\$5,000
Land and Building Leases		\$13,795
Total Estimated Income		<u>\$431,295</u>
	Transfer from fund balance or VA 1st Grant	\$0
	Balance -deficit	<u>\$2,939</u>
<b>Virginia's</b>	<b>First Regional Industrial Facility Authority</b>	<b>FY 2010</b>
	<b>Proposed Budget</b>	<b>Proposed</b>
	<b>July 2009 - June 20010</b>	
Contracted Personnel:		\$17,326
	PDC Staff Services	\$8,926
	Contracted Management	\$6,000
	Transportation - Travel / Per Diem	\$2,400
Administration Expenses		\$2,676
	Office Space	\$824
	Telephone	\$50
	Office Supplies	\$100
	Postage	\$352
	Copies	\$400
	Media Adv	\$300
	Insurance	\$550
	Miscellaneous	\$100
Project Development		\$0
Professional Services		\$6,100
	Legal	\$4,000
	Audit	\$2,100
Total Expense		<u>\$26,102</u>
Anticipated Income		
	Member Dues @ \$5,000	\$75,000
	Interest	\$5,000
Total Income		<u>\$80,000</u>
Balance -deficit		<u>\$53,898</u>

COPY

**Agreement Between the  
NEW RIVER VALLEY PLANNING DISTRICT COMMISSION  
the PULASKI COUNTY PUBLIC SERVICE AUTHORITY  
and VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY  
For Administration of the Pulaski County Water and Sewer Infrastructure Improvements  
to Service the New River Valley Commerce Park  
# 01-79-08675**

This agreement, by and between the New River Valley Planning District Commission, hereinafter referred to as the "PDC", and the Pulaski County Public Service Authority hereinafter referred to as the "PSA" and the Virginia's First Regional Industrial Facility Authority, hereinafter referred to as the "Authority" is to be effective **March 11, 2009**.

WITNESSETH

WHEREAS, the Economic Development Administration provides federal grant funds to assist local governmental units to deal with local community economic development related problems; and

WHEREAS, the PSA and the Authority are authorized to obtain federal grant assistance made available by the Economic Development Administration, and

WHEREAS, the PDC is authorized by Chapter 42 of Title 15.2 Code of Virginia (1950), as amended, to assist local governmental units in planning their development; and

WHEREAS, the PSA and the Authority has, by contract, agreed to the development of infrastructure to serve the New River Valley Commerce Park;

NOW THEREFORE, the PDC, the PSA and the Authority hereto do mutually agree as follows:

I. Grant Award

The PSA and the Authority have accepted assistance funds from the Economic Development Administration, hereinafter referred to as "EDA", in the amount of \$3,103,401 to be spent for the purpose of installing water and sewer infrastructure from the City of Radford to and on the New River Valley Commerce Park to provide approximately 1 million gallons per day of service capacity and on-site improvements including a storage tank outlined in the Pulaski County Public Service Authority Application.

## II. Scope of Work Required of PDC

The PDC agrees to provide technical assistance to the PSA and the Authority related to the administration of EDA Grant # 01-79-08675 offered by the EDA to finance the infrastructure improvements, and to do so in accordance with all terms and conditions set forth in this agreement to the satisfaction of EDA. The PDC will carry out its scope of work in conjunction with the PSA and the Authority in compliance with the assurances set forth in the application and in compliance with the conditions set forth in the grant agreement executed between the PSA and the Authority and the EDA.

## III. Time of PDC Performance

The PDC agrees to commence performance of the activities called for herein, in compliance with the terms and conditions of this agreement, on the date set forth above and agrees to complete performance within one month following the date of final closeout of the EDA portion of the Project.

## IV. Duties and Responsibilities of the PDC

The PDC agrees to do the following administrative technical assistance activities:

- General Condition – The PDC will provide overall coordination of the administration of the Project by working as a liaison between the Engineer, the EDA, the PSA and the Authority.
- General Record Keeping – The PDC will be responsible for setting up files to house all records, documentation, and correspondence associated with the EDA related activities of the Project. The PDC will maintain the project files in accordance with EDA requirements.
- Reporting – The PDC will prepare all reports required by the EDA in conformance to the PSA and the Authority’s implementation of the EDA contract requirements. These will include, but not necessarily be limited to, the quarterly project performance reports, the various compliance documents required, and the final performance report, which includes final financial report, a final construction report, and a final evaluation report. The PDC will also provide periodic project status reports to the PSA and the Authority.
- Compliance – The PDC will act as the compliance officer for the project in the areas of labor standards, equal employment opportunities, and environmental review. In terms of labor standards, the PDC will verify the appropriate Davis-Bacon wage rates by conducting periodic contractor employee interviews. The PDC will advise the PSA and the Authority of its compliance with regard to equal employment opportunities and prepare proper advertising notices for publication to meet these requirements. The PDC will verify that the engineer has included all necessary compliance statements to be met by the contractor and has included them as part of the bid document. The PDC will assist the PSA and the Authority with all actions necessary for compliance with applicable environmental legislation. Additionally, compliance with the Contract Workers and Safety Standards Act and the Copeland “Anti-kickback” Act will be monitored by the PDC.

- Procurement – The PDC will advise and assist the PSA and the Authority in adherence to state and/or federal procurement legislation and regulations. Assistance will include, but not necessarily be limited to assistance with: the preparation of requests for proposals, advertisements for needed services or materials, development of criteria for the ranking, selection, and evaluation of proposals submitted. The PDC will also advise and assist the PSA and the Authority in securing construction services.

#### V. Duties and Responsibilities of the PSA and the Authority

The PSA and the Authority agree to do the following administrative activities:

- Financial Record Keeping – The PSA will maintain in the PSA Office, an official set of financial records of the expenditures of the EDA money in this project. The PSA agrees to maintain the required financial records and to maintain required books and source documentation as outlined in Section IV 1-2 of the requirements for Approved Construction Projects. The PSA agrees to write checks for payments only after said request for payment has been reviewed and so noted in writing by the PDC. The PSA agrees to provide to the PDC, within five (5) working days of writing each check, a listing of the check numbers, payees, and amounts of each check.
- Audit – It will be the responsibility of the PSA to conduct an annual audit of all EDA funds to be undertaken in conjunction with its traditional annual audit.
- General Record Keeping – All incoming correspondence directly and indirectly relating to the EDA portion of the Project will be opened and read by the PSA and a copy placed in a mail basket for review by the PDC. The PSA will promptly notify the PDC of any correspondence that appears to need immediate action.

#### VI. Compensation and Method of Payment

The PSA agrees to pay the PDC, cash consideration not to exceed \$53,500.00, which will constitute full and complete payment for the PDC's work and activities as set forth herein. Such sums will be paid in the following manner in every case subject to receipt of the PDC's requisition for the payment. Such requisition shall specify that the PDC has performed the work specified in conformance with the terms and conditions of this agreement, and that the PDC is entitled to receive the amount requisitioned under the terms and conditions of this agreement. Requisitions shall normally be requested monthly.

It is expressly understood and agreed by all parties hereto that in no event will the total funding to be paid to the PDC hereunder exceed the maximum sum of \$53,500.00. It is further understood that the PDC will request payment for only those costs that are incurred by the PDC in the fulfillment of the work responsibilities outlined herein. Specifically, if the PDC is able to fulfill its obligations with actual costs less than \$53,500.00, the PSA and the Authority will retain the difference.

VII. Ownership and Status of Documents

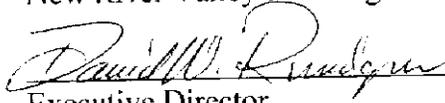
- All project documents produced under this Agreement become the property of the PSA and the Authority upon the completion. The PDC is entitled to permanently retain appropriate copies of all project documents for reference purposes.
- Any reports, information, data, etc., given to, prepared or assembled by the PDC under this Agreement shall be kept confidential by the PDC until released or approved for release by the PSA and the Authority.

VIII. Amendment

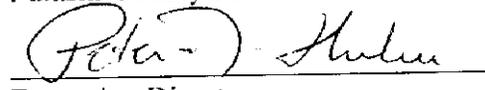
This contract may be amended from time to time by written agreement of the PDC and the PSA and the Authority and shall be subject to renegotiation if such amendment results in a change in the scope of services, compensation, and method of payment.

Witness the following signatures as of the date first above written:

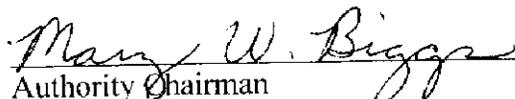
Accepted for the  
New River Valley Planning District Commission

  
Executive Director

Accepted for the  
Pulaski County Public Service Authority

  
Executive Director

Virginia's First Regional Industrial Facility Authority

  
Authority Chairman

**Suggested Components for an Agreement Between  
Virginia First Regional Industrial Facility Authority  
and the  
Pulaski County Public Service Authority  
Regarding Water and Sewer Capacity**

**Parties:**

- Virginia's First Regional Industrial Facility Authority on behalf of the New River Valley Commerce Park Participation Committee (Commerce Park); and
- Pulaski County Public Service Authority (PSA)

**Context:**

- Commerce Park was established to promote regional economic development on a large acreage site adjacent to New River Valley Airport.
- Commerce Park will be enhanced by increased on site water and sewer capacity.
- PSA was established to provide water, sewer and other services throughout Pulaski County, including Commerce Park site.
- PSA is cooperating with the City of Radford to increase water capacity available to Pulaski County.
- Commerce Park requests one million gallons per day (MGD) of the increased water and sewer capacity reserved for Commerce Park development.
- PSA and Commerce Park jointly accepted a United States Department of Commerce Economic Development Administration (EDA) grant award for water and sewer capacity expansion.
- PSA, with support from Pulaski County Board of Supervisors, has pledged to match EDA grant award.
- Commerce Park desires to provide support for one third of the PSA pledge to match the EDA grant award.
- The estimated share for the Commerce Park of the \$6.4 million water and sewer upgrade is \$1.3 million. (See Commerce Park 1 MGD Water and Sewer Upgrade Cost Estimate and Allocation.)
- Commerce Park desires to recover all or part of its EDA match pledge through a surcharge on water and sewer usage as the Commerce Park develops.

**Authorization:** Code of Virginia, Chapter 51 - Virginia Water and Waste Authorities Act and Chapter 64 - Virginia Regional Industrial Facilities Act

**Transfer of Land and Easement Rights:** The following list of on-site improvements is planned. (See Commerce Park Proposed Water Improvements 2009 and Commerce Park Proposed Water and Sewer Improvements 2009 from Draper Aden Associates.) The agreement should authorize transfer of the required land or easements. Such transfer was approved by the Commerce Park Participation Committee. (See Commerce Park May 13, 2009 meeting minutes excerpt). Authorization should be included in the agreement for transfer for land and easements for these improvements, as well as similar additional improvements to extend water and sewer service throughout the entire Commerce Park site, to be transferred to the PSA as mutually agreed between the Commerce Park and PSA in the future.

- Water Tank Site(s) – One or more elevated and ground water storage tank and appurtenances locations.
- Pumping Station Site(s) – Upgrade of the present sewer pump station.
- Equalization Basin Site(s) – Installation of a sewer equalization basin(s) may be needed to accommodate the increased sewer capacity.
- Water Mains – A 12 inch supply line crossing the Commerce Park.
- Sewer Gravity Mains – An 8 inch sewer gravity main.
- Sewer Force Mains – A 12 inch sewer force main.

**Service Guarantee:** The PSA should confirm the entire Commerce Park is in the PSA service area. The PSA should also confirm the Commerce Park will be provided water and sewer service on the same basis as any comparable PSA water or sewer user.

**Capacity Reserve:** The PSA should reserve both water and sewer capacity of a minimum of 1 MGD for future Commerce Park water and sewer users. Such reservation may allow for reduction due to temporary peak water demand on the PSA system when the long term capacity of the Commerce Park reserve is not diminished.

**Pledge to Contribute to Debt Service:** The Commerce Park will pledge its available and future assets to reduce the match required from the PSA for the EDA grant award. Such match pledge will be to assist with undertaking and completing the design and construction of the proposed water and sewer improvements. Those improvements are generally as projected in the Commerce Park 1 MGD Water and Sewer Upgrade Cost Estimate and Allocation. The Commerce Park pledge shall be limited to no more than one third of the EDA grant match requirement, now estimated at \$1.3 million. Annual payment of the pledge shall not exceed annual debt service for a Rural Development Administration (RD) loan for a 38 year term, with up to 2 years capitalized interest, at the eligible interest rate for RD community facilities projects in Pulaski County. Such payment is now estimated at \$55,572 per year based on an interest rate of 2.75%. Payment of the contribution will be made as needed no more than thirty days in advance of the due date of project financing debt service payments of the PSA.

**Availability Rates:** In return for the pledge to contribute to debt service, the PSA will charge no additional availability fee to the Commerce Park for water and sewer capacity reservation or use.

**Surcharge for Recovery of Debt Service Pledge:** In return for the pledge to contribute to debt service, the Commerce Park may charge a water and sewer total surcharge not to exceed \$1 per 1,000 gallons of water and sewer use or capacity. The PSA will cooperate fully with the Commerce Park in making usage records available to calculate such surcharge. The PSA will also cooperate on billing for such surcharge through its customer billing procedures, without cost to the Commerce Park.

**Schedule:** The PSA will provide the 1 MGD water and sewer capacity to the Commerce Park by September 30, 2013. Payment for the Commerce Park contribution to debt service will commence at the same time payment commences on financing acquired by the PSA for the project. Authorization of the terms of the PSA / Commerce Park agreement for water and sewer service will be requested from the Virginia's First Regional Industrial Facility Authority Board at its July 2009 meeting, confirmed by the Commerce Park Participation Committee at its August 2009 meeting and approved as to final form by the Virginia's First Board no later than its January 2010 meeting.

**Available Assets from Commerce Park:** The Commerce Park has several major assets that may be used for meeting the debt service pledge, including surplus real estate, member annual contributions and accumulated cash. (See Example of Funding Sources for \$1.3 Million Commerce Park Water and Sewer Expansion Pledge Assuming 2.75% Interest Rate Over 38 Years and 1 Year Capitalized Interest.) Access to general cash reserves of Virginia's First Regional Industrial Facility Authority may require action by all member governments of Virginia's First. Those assets are being requested for use toward the debt service pledge but are not available for encumbrance at this time. The combination of assets is sufficient to pledge contribution to the PSA debt service described herein.

**EXAMPLE OF FUNDING SOURCES FOR \$1.3 MILLION COMMERCE PARK WATER AND SEWER EXPANSION PLEDGE ASSUMING 2.75% INTEREST RATE OVER 38 YEARS AND 1 YEAR CAPITALIZED INTEREST**

	<u>2009 &amp; 2010</u>	<u>2011</u>	<u>2,012</u>	<u>2,013</u>	<u>2,014</u>	<u>2,015</u>	<u>2,016</u>	<u>2,017</u>	<u>2,018</u>	<u>First 10 Years</u>	<u>2019 to 2049</u>	<u>Total</u>
Rural Development or Comparable Lender Debt Payments	\$ -	\$ 57,100	\$ 57,100	\$ 57,100	\$ 57,100	\$ 57,100	\$ 57,100	\$ 57,100	\$ 57,100	456,800	1,713,000	\$ 2,169,800
Excess VA 1st Dues for Commerce Park Participants @ \$3,500 as needed		\$ 38,500	\$ 38,500							77,000	0	\$ 77,000
Surplus Land Sale Proceeds @\$700,000				42,500	41,040	39,434	37,667	35,724	33,587	229,952	231,594	\$ 461,546
Surcharge at \$1 per 1,000 gallons				14,600	16,060	17,666	19,433	21,376	23,513	112,648	1,481,406	\$ 1,594,054
Use of Accumulated \$541,802.47 VA 1st General Funds for Commerce Park Participants		\$ 18,600	18,600							37,200	0	\$ 37,200
Total Use of Resources for Debt Service	\$ 57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	456,800	1,713,000	\$ 2,169,800

Assumes 40,000 gallons per day starting in 2013 and increasing 10% per year.

As of May 2009, \$738,413 surplus cash has accrued to VA 1st. \$49,227.53 has accrued per member. The 11 Commerce Park Participants have accumulated \$541,802.47

One or more of the suggested revenue sources may cover the required debt service



**Suggested Components for an Agreement between Virginia First Regional Industrial Facility Authority and the Pulaski County Public Service Authority Regarding Water and Sewer Capacity**

**Parties:**

- Virginia's First Regional Industrial Facility Authority on behalf of the New River Valley Commerce Park Participation Committee (Commerce Park); and
- Pulaski County Public Service Authority (PSA)

**Context:**

- Commerce Park was established to promote regional economic development on a large acreage site adjacent to New River Valley Airport.
- Commerce Park will be enhanced by increased on site water and sewer capacity.
- PSA was established to provide water, sewer and other services throughout Pulaski County, including Commerce Park site.
- PSA is cooperating with the City of Radford to increase water capacity available to Pulaski County.
- Commerce Park requests one million gallons per day (MGD) of the increased water and sewer capacity reserved for Commerce Park development.
- PSA and Commerce Park jointly accepted a United States Department of Commerce Economic Development Administration (EDA) grant award for water and sewer capacity expansion.
- PSA, with support from Pulaski County Board of Supervisors, has pledged to match EDA grant award.
- Commerce Park desires to provide support for one third of the PSA pledge to match the EDA grant award.
- The estimated share for the Commerce Park of the \$6.4 million water and sewer upgrade is \$1.3 million. (See Commerce Park 1 MGD Water and Sewer Upgrade Cost Estimate and Allocation.)
- Commerce Park desires to recover all or part of its EDA match pledge through a surcharge on water and sewer usage as the Commerce Park develops.

**Authorization:** Code of Virginia, Chapter 51 - Virginia Water and Waste Authorities Act and Chapter 64 - Virginia Regional Industrial Facilities Act

**Transfer of Land and Easement Rights:** The following list of on-site improvements is planned. (See Commerce Park Proposed Water Improvements 2009 and Commerce Park Proposed Water and Sewer Improvements 2009 from Draper Aden Associates.) The agreement should authorize transfer of the required land or easements. Such transfer was approved by the Commerce Park Participation Committee. (See Commerce Park May 13, 2009 meeting minutes excerpt). Authorization should be included in the agreement for transfer for land and easements for these improvements, as well as similar additional improvements to extend water and sewer service throughout the entire Commerce Park site, to be transferred to the PSA as mutually agreed between the Commerce Park and PSA in the future.

- Water Tank Site(s) – One or more elevated and ground water storage tank and appurtenances locations.
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**Capacity Reserve:** The PSA should reserve both water and sewer capacity of a minimum of 1 MGD for future Commerce Park water and sewer users. Such reservation may allow for reduction due to temporary peak water demand on the PSA system when the long term capacity of the Commerce Park reserve is not diminished.

**Pledge to Contribute to Debt Service:** **The motion to consent to Customer Status for Commerce Park with the Pulaski County PSA, using available assets of Virginia's First Regional Industrial Facility Authority, is subject to the future unanimous approval by the Authority to pledge the available identified assets of the Authority.** The Commerce Park will pledge its available and future assets, assets to reduce the match required from the PSA for the EDA grant award. Such match pledge Such Grant Award will be to assist with undertaking and completing the design and construction of the proposed water and sewer improvements. Those improvements are generally as projected in the Commerce Park 1 MGD Water and Sewer Upgrade Cost Estimate and Allocation. The Commerce Park pledge shall be limited to no more than one third of the EDA grant match requirement, now estimated at \$1.3 million. Annual payment of the pledge shall not exceed annual debt service for a Rural Development Administration (RD) loan for a 38 year term, with up to 2 years capitalized interest, at the eligible interest rate for RD community facilities projects in Pulaski County. Such payment is now estimated at \$55,572 per year based on an interest rate of 2.75%. Payment of the contribution will be made as needed no more than thirty days in advance of the due date of project financing debt service payments of the PSA.

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