



## 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

Mary W. Biggs  
Clay Goodman

### Pulaski County

Peter M. Huber  
Shawn Utt

### Roanoke County

Richard C. Flora  
Douglas Chittum

### Wythe County

Bucky Sharitz  
Martha P. Umbarger

### City of Radford

Bruce Brown  
Basil Edwards

### City of Roanoke

Brian Townsend

### City of Salem

John Givens  
Benjamin Tripp

### Town of Christiansburg

Randy Wingfield  
Barry D. Helms

### Town of Dublin

Doug Irvin

### Town of Narrows

Clayton Davis  
Buddy Kast

### Town of Pearisburg

Kenneth F. Vittum  
Brad Jones

### Town of Pulaski

Morgan Welker  
John Hawley

## MEMORANDUM

**DATE:** July 3, 2008  
**TO:** Virginia's First Regional Industrial Facility Authority Members  
**FROM:** Dave Rundgren  
**SUBJECT:** July 9, 2008 Meeting

A meeting of the Virginia's First Regional Industrial Facility Authority Members will be held on July 9, 2008, immediately following the Commerce Park Participation Committee meeting being held at 4:30 p.m. The meeting will be held at the New River Valley Competitiveness Center, Fairlawn.

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

## Virginia's First Regional Industrial Facility Authority

### Agenda

July 9, 2008

New River Valley Competitiveness Center  
Fairlawn, VA

1. Roll Call
2. Approval of the June 11, 2008 meeting minutes
3. Treasurer's Report for July 2008 (*to be provided at the meeting*)
4. Old Business
  - a) Report of Attorney
  - b) Discussion of Grant Program (material available in last month's Packet)
5. New Business
  - a) Report from Participation Committee
  - b) Additional sites or potential projects to discuss
    - a. Competitiveness Center Participation Committee
6. Administrative Staff Report
7. Other Business
8. Adjournment

*Virginia's* **FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**Minutes**  
**June 11, 2008**

**1. Roll Call and Welcome**

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

**2. Approval of April 9, 2008 Authority Minutes**

Motion: Mrs. Biggs moved the acceptance of the April 9, 2008 minutes. Mr. Worrell seconded the motion.

Action: The motion carried unanimously.

**3. Treasurer's Report**

Mr. Helms reviewed the Treasurer's Report for June 11, 2008. The Accounts Payable for the month include: AEP, Treasurer of Va (VaRisk2), NRVPCD and Olver, Inc. He noted that the May Treasurer's Report was in the packet.

Motion: Mr. Helms moved the approval of the May and June Treasurer's Reports and accounts payable as presented. Mr. Goodman seconded the motion.

Action: The motion was carried unanimously.

**4. Old Business**

a) FY 2009 Proposed Budget

Mr. Rundgren briefly reviewed the Draft FY09 budget.

Motion: Mr. Goodman moved the Authority Dues be set aside for FY09. The motion was seconded.

Action: By show of hands the motion failed.

Motion: Mr. Irvin moved that the FY09 Budget be adopted. Mrs. Biggs seconded the motion.

Action: The motion was carried, Mr. Goodman voting No.

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

**Attendance**

June 11, 2008

New River Competitiveness Center  
Radford, VA

<b>Jurisdiction</b>	<b>Name</b>	
Bland County	( ) John C. Thompson ( ) Henry M. Blessing	
Craig County	( ) (x) Jay Polen	
Giles County	( ) Richard McCoy (x) Chris McKlarney	
Montgomery	( x ) Mary W. Biggs ( x ) Clay Goodman	(X) Bob Isner ( )
Pulaski County	( ) Shawn Utt (x) Pete Huber	(x) Joe Sheffey ( ) Ronnie Coake
Roanoke County	( ) Charlotte Moore ( ) Douglas Chittum	( ) Joseph "Butch" Church ( ) Jill Loope
Wythe County	(x) Bucky Sharitz (x) Martha Umbarger	
City of Radford	( ) Bruce Brown ( x ) Basil Edwards	
City of Roanoke	( ) Beverly Fitzpatrick ( ) Brian Townsend	
City of Salem	( ) John Givens ( ) Benjamin Tripp	
Christiansburg	(x) Randy Wingfield (x) Barry Helms	
Dublin	(x) Doug Irvin ( ) Samuel Gregory	
Narrows	( ) Clayton Davis ( ) Buddy Kast	
Pearisburg	( x ) Brad Jones ( x ) Ken Vittum	
Town of Pulaski	( x ) Jeffrey S. Worrell ( ) John Hawley	(x) Morgan Welker

**Others Present:** Trevor Kimzey, Janet Flory, Rick DeSalvo

**Staff Present:** Dave Rundgren

**VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY  
TREASURER'S REPORT AS OF JULY 9, 2008**

<b>Balance Forward June 11, 2008</b>					<b>995,063.53</b>
	Dues/Shares/Rents Received 6/11- 6/30		216.00		
	Interest Earned June 2008		1,609.72		
	Analysis Charge June 12, 2008		(59.51)		
			1,766.21		1,766.21
<b>Balance June 30, 2008</b>					<b>996,829.74</b>
	Dues/Shares/Rents Received 7/1-7/9		2,683.00		
	Less Rural Development Loan Payment		(10,258.00)		
			(7,575.00)		(7,575.00)
	Accounts Payable July 9, 2008				
	AEP		50.91		
	NRVPDC		2,170.43		
	Total Accounts Payable		2,221.34		(2,221.34)
<b>Balance July 9, 2008</b>					<b>987,033.40</b>
<b>Available Funds</b>					
<b>Virginia First Available Balance</b>					<b>664,337.57</b>
	Commerce Park Balance				322,695.83
	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 Available Balance</b>					<b>80,151.83</b>
<b>Total Available less Reserves</b>					<b>744,489.40</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)				1,257,796.00
	RD Loan (phase 1)				2,026,247.00
	RD Loan (phase 2)				2,267,679.00
<b>Total Liabilities</b>					<b>5,551,722.00</b>



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Finance Corporation**

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Powhatan County

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**Robert W. Lauterberg**

**General Counsel**  
**Roger C. Wiley**

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Tuesday, June 17, 2008

Mr. David Rundgren  
Executive Director  
New River Valley PDC  
6580 Valley Center Drive #1  
Radford, VA 24141

Dear David:

I have prepared a cost estimate for refinancing the New River Valley Planning District Commission's \$2.6 million bank note for its Business Competitiveness Center.

The attached analysis assumes that the New River Valley Development Corporation will own the building but the loan will be secured by a moral obligation and lease revenue pledge from either the County or Town of Pulaski. Upon initial analysis, this loan will likely be classified as taxable, due to the calculated 50% private usage of the total square footage of the building. This classification may be subject to change based upon full review by bond counsel.

The VML/VACo Finance Commercial Paper Program is a low-cost, variable rate financing option that provides you with a high level of flexibility. Other projects can be added easily to the total loan amount and the loan can be paid off at any time without penalty.

The attached estimate shows the current market, taxable rate which consists of a base interest rate of 2.45%, an estimated letter of credit fee of 0.45%, and program fees of 0.30%, for a total rate of 3.20% for the month of June. Other costs include a one-time lifetime membership fee of \$5,000 and a 0.05% (\$500 per \$1 million) underwriting fee. Please refer to the supporting schedules and "Commercial Paper Program Cost Estimate - explanation" for more details.

I will call to follow-up on this financing estimate. In the meantime, please call me at (804) 648-0636 if you have any questions or need additional information. Thank you for your interest in the VML/VACo Finance Program. We look forward to working with you in arranging financing for this exciting project.

Sincerely,

Will Turnage  
Deputy Director

## Project Cost Estimate - Commercial Paper Program

<b>Applicant:</b>	New River Valley Development Corporation
<b>Project Name:</b>	Refinancing Business Competitiveness Center
<b>Project Size:</b>	\$2,600,000
<b>Loan Term:</b>	20 yrs
<b>Security Pledge:</b>	Lease Revenue and Moral Obligation (Pulaski County or Town)
<b>Local Bond Counsel:</b>	Not included
<b>Prepared For:</b>	David Rundgren, Executive Director, New River Valley PDC

### Recurring interest rate (current market):

<b>Base interest rate (as of June 2008):</b>	2.45%
<b>Letter of Credit fee (estimate):</b>	0.45%
<b>Program fees:</b>	<u>0.30%</u>
<b>Total rate:</b>	3.20%

### Costs of issuance:

<b>Underwriting fee:</b>	0.05%
<i>(Payable up-front or monthly over first full year of participation.)</i>	
<b>Lifetime Membership Fee:</b>	\$ 5,000

## **Commercial Paper Program Cost Estimate - *explanation***

### **Base interest rate**

The Commercial Paper base interest rate is set approximately every 30 days, each time the commercial paper notes are remarketed. The rate reflected in the estimate is the current month's rate. A benchmark rate is published daily in *The Bond Buyer*.

### **Letter of credit fee**

A letter of credit is provided by Bank of America, N.A., to back each loan in the Commercial Paper Program. The fee is determined for each borrower based on the strength of its credit pledge and the size of the loan. The percentage fee declines as the amount of the loan outstanding increases. The letter of credit fee shown is the estimated fee applicable to the full amount to be financed.

### **Program fees**

All usual recurring costs are covered in an annualized program fee of 0.30% (less for larger size loans). These include program-level bond and legal counsel services, remarketing, bond rating, printing, financial advisory, program administration, etc.

### **Underwriting fee**

An underwriting fee is payable by participants on the amount of their outstanding loan. Participants may choose either to include this cost in the amount financed or to add it to the interest rate paid during the first full year of the loan.

### **Lifetime Membership Fee**

Local governments and authorities pay a Lifetime Membership Fee of \$5,000 the first time only that they participate in the Commercial Paper Program. This fee covers a share of program start-up costs. For larger size loans, this fee is waived. Please contact us for details.

### **Non-program costs**

When a participant incurs additional project-related costs, including local bond counsel, such costs may be combined with the total amount to be financed.

### **Monthly draws**

Participants who draw down less than the full authorized loan amount in the first month are asked to submit a monthly draw schedule. Interest and fees, other than the Lifetime Membership Fee, apply only to the amount actually outstanding in a given month. The initial draw generally must be at least \$500,000.