



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

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

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: September 5, 2008
TO: Virginia's First Regional Industrial Facility Authority Members
FROM: Dave Rundgren
SUBJECT: September 10, 2008 Meeting

A meeting of the Virginia's First Regional Industrial Facility Authority Members will be held on **September 10, 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.

At least one representative from your locality is required to attend this meeting. The board will be voting on how to allocate Virginia First's current unrestricted funds. Please mark your calendar and notify me as to your plans for attendance.

Virginia's First Regional Industrial Facility Authority

Agenda

September 10, 2008

New River Valley Competitiveness Center
Fairlawn, VA

1. Roll Call
2. Approval of the August 13, 2008 meeting minutes
3. Treasurer's Report for September 2008 (*to be provided at the meeting*)
4. Old Business
 - a) Discussion of Grant/Loan Program
 - b) Consideration of resolution requesting line of credit for the NRV Competitiveness Center
5. New Business
 - a) Report from Commerce Park Participation Committee
 - b) Report from Competitiveness Center Participation Committee
 - c) Consideration of legal opinion regarding voting requirements
6. Administrative Staff Report
7. Other Business
8. Adjournment

Virginia's **FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**
Meeting Minutes
August 13, 2008

1. Roll Call

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

2. Approval of the July 9, 2008 meeting minutes

Motion: Mrs. Biggs moved approval of the July 9, 2008 authority meeting minutes. Mr. Kast seconded the motion.

Action: The motion carried.

3. Treasurer's Report for August 2008

Mr. Helms deferred to Mr. Rundgren for review of the Treasurer's Report for August 13, 2008. The accounts payable for the month include AEP, NRVPCD, and Olver. Income includes dues, shares, and rents. The current available balance for the commerce park does not reflect that most of the money is committed to debt payment. Mr. Goodman requested that future treasurer's reports state the balance as restricted and non-restricted to reflect what is available cash and what funds are committed for the year.

Motion: Ms. Biggs moved approval of the July treasurer's report and authorized payment of accounts payable as presented. Mr. Irvin seconded the motion.

Action: The motion carried.

4. Old Business

a. Competitiveness Center Participation Committee

Mr. Rundgren requested members of this committee set a date to review and discuss refinancing of the bank loan for the NRV Competitiveness Center. He requested that the eight localities with ownership in the development corporation attend the meeting (This includes six localities in Virginia's First—Montgomery, Pulaski, and Giles counties; the City of Radford; and the towns of Christiansburg and Pulaski—and Floyd County and the Town of Blacksburg). The meeting is set for August 25 at 1:30 pm.

b. Resolution requesting line of credit for Competitiveness Center

Mr. Rundgren referred the Board to the resolution from the Development Corporation requesting a line of credit for \$60,000. Discussion followed with questions from the Board about why loan is needed, how the Development Corporation is refinancing and will this fix the shortfall in the long-term. Mr. Goodman reminded the Board that a unanimous vote with every Virginia's First locality present would be required to approve the request. After additional discussion, Mr. Goodman stated the vote would have to wait until September 10

and encouraged the other Board members to contact absent locality representatives and encourage them to attend the next meeting.

c. Discussion of Grant Program

This item was tabled.

5. New Business

a. Report from Participation Committee

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

6. Administrative Staff Report

No further staff report was given under this item.

7. Other Business

There was no other business to come before the Authority.

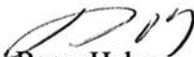
8. Adjournment

With no further business to discuss, the meeting adjourned. The next meeting will be September 10, 2008.

Respectfully Submitted,

Approved by,

David W. Rundgren


Barry Helms

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Attendance

August 13, 2008
 New River Competitiveness Center
 Radford, VA

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

Others Present: Janet Flory, John White, Rick deSalvo, Theron Barrineau

Staff Present: Dave Rundgren, Christy Straight

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
TREASURER'S REPORT AS OF SEPTEMBER 10, 2008

Balance Forward August 13, 2008

1,430,518.76

Dues/Shares/Rents Received 8/14-8/29	1,770.00	
Interest Earned August 2008	2,274.28	
Analysis Charge August 15, 2008	(72.20)	
	3,972.08	

3,972.08

Balance August 29, 2008

1,434,490.84

Dues/Shares/Rents Received 9/1-9/10	0.00	
Less Rural Development Loan Payment	(10,258.00)	
	(10,258.00)	

(10,258.00)

Accounts Payable September 10, 2008

AEP	45.30	
NRVPDC	2,783.30	
	2,828.60	

Total Accounts Payable

2,828.60

(2,828.60)

Balance September 10, 2008

1,421,404.24

Total Available Funds

Virginia First Available Balance

731,782.23

Commerce Park Balance
Less Reserve

Rural Development Loan #1	119,448.00	
Rural Development Loan #2	123,096.00	
	242,544.00	

689,622.01

(242,544.00)

Commerce Park Balance

447,078.01

Total Available less Reserves

1,178,860.24

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)

1,257,796.00

RD Loan (phase 1) style="text-align: right;">2,026,247.00

RD Loan (phase 2) style="text-align: right;">2,267,679.00

Total Liabilities

5,551,722.00

Attachment to Treasurer's Report

Commerce Park Balance Detail

	As of 9/10/2008
<u>Total Balance</u>	<u>\$ 447,078.01</u>
Restricted Balance	\$ 395,583.97
Unrestricted Balance	\$ 51,494.04



Virginia's First Regional Industrial Facility Authority **Regional Economic Development Grant and Loan Program**

Background

Virginia's First Industrial Facilities Authority, appropriately named as the first authority of its type in Virginia, is a leader in providing an environment of intergovernmental cooperation for the purpose of advancing economic development projects. While the formation of participation committees continues to have strong merit, an economic development grant and loan program allows local governments to also work together in fostering smaller scale initiatives of importance to the economic growth of the New River and Roanoke valleys of Virginia.

Virginia's First Regional Industrial Facility Authority was created by fifteen localities to provide economic development projects in its region under the provisions of the Virginia Industrial Facility Authority Act, which envisions the active development of projects and provides for a broad range of power. As a part of the creation of the Authority, the founding localities established a dues structure to provide the funds to staff the Authority and to serve as a source of seed funds to conduct project feasibility and initial project development funding for projects meeting the legislative intent of the Act. The New River Valley Commerce Park was the first project undertaken by the Authority. The Authority has been asked only once to assist with the development of an additional multi-jurisdictional project.

The purpose of the Virginia's First Industrial Facilities Authority Regional Economic Development Grant and Loan Program is to provide needed financial support for regional initiatives having an impact on the economic vitality of the region.

Funding

Each of the 15 member localities has paid dues of \$5,000 per year since FY 98-99 to support the Authority and regional economic development. Over this same period the Authority has invested this annual contribution in an interest bearing account with the net result of having accumulated a balance of \$665,500 as of May 2008. As a result, the Authority has an increasing fund balance at a time when financial resources are limited to support multi-jurisdictional projects. Virginia's First will retain \$75,000 of its existing balance to provide adequate funding for the administrative support of existing and new economic development initiatives as provided in the annual budget. The remaining fund balance each year will be available to the grant and loan program.

Considering that these funds could be used to support various economic development initiatives, the following guidelines are proposed allowing for the productive use of these funds to further stimulate and support the economy of the region through regional initiatives.

Basics of the Program

The Virginia's First Grant and Loan Program would be a competitive program where proposals could be advanced for multi-jurisdictional projects funded through grants and loans. Providing loan funds to develop and advance projects would be of highest priority. These projects would be loaned funds to plan, design, seek funding, etc. to move the project forward

with an expectation that some point in the future the project could repay the loaned funds (anticipated five-year payback potential) so that some other project might be supported. Grant projects can include projects seeking operational support, capital improvement support as well as project development support.

Eligibility Criteria

Projects seeking grant or loan funds will meet the following criteria:

- Involve at least two Virginia's First member localities
- Promote the economy of the region through the creation of jobs, the provision of infrastructure, the provision of business services, or operations.

Guidelines

1. Proposed projects can be identified by one or more locality representatives.
2. Representatives from all 15 jurisdictions are required to attend a meeting to take action on a proposed project.
3. Representatives of each locality have a range of actions at the roll call for each project:
 - a) Agree to the project and identify an amount of dues share for financial support of the project.
 - b) Agree with the project, but provide no financial support
 - c) Find the project unacceptable
4. Funding limit cannot exceed ????
5. While the terms will be negotiated, loans will have an anticipate five-year payback.
6. All grants are a one-time award only with no commitment of future funding.
7. Grants and loans will be reviewed and awarded throughout the year in each year for which there is adequate funding. Funds are expected to be used within one year of award.

Application

Project proposals will be submitted to the Virginia's First board for review and will address the following information:

1. Name of multi-jurisdictional applicant (name of contact person, address, phone, e-mail)
2. Virginia's First localities associated with the applicant organization:
3. Type of project: [establish project types]
4. Project description
5. Anticipated impact on the Virginia's First region
6. Requested funding
 Grant Loan Amount requested _____
7. Likelihood of the project being able to repay the initial investment
8. Project readiness

Virginia's First Dues Investment

Locality	Dues	Locality's Total Dues Invested (through FY 2007)													% of Virginia's First Total Investment	
		FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2009				
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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 45,000.00	6.1%
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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	6.8%
Narrows	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	\$ 5,000.00	\$ 37,500.00	5.1%
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	\$ 5,000.00	\$ 50,000.00	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	\$ 5,000.00	\$ 50,000.00	6.8%
Total dues paid	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	65,000.00	

	99	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total	Projected 2008/09*
Dues	145,000.00	70,000.00	70,000.00	70,000.00	70,000.00	72,500.00	82,500.00	62,500.00	87,500.00			75,000.00
Interest paid	1,140.29	3,196.38	2,458.26	947.28	564.29	616.63	648.41	16,849.70	23,551.31	5,355.92		
Other Income				556.86								
Total Income	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	5,355.92		
Total Income	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	5,355.92	785,885.33	75,000.00
Expenses	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	6,241.42	121,547.76	17,654.00
Balance	135,127.63	59,301.12	56,698.13	47,262.94	63,416.65	61,768.79	74,455.05	67,941.90	99,250.86	-885.50	664,337.57	57,346.00
Accounts receivable	2,500.00				5,000.00	5,000.00				5,000.00		721,683.57
(over 60 days past due)											5,000.00	

*Projected expenses do not include \$66,346 in project development money
Amount available by jurisdictional contribution
13 jurisdictions current in dues
Wythe County 45,502.57
Town of Narrows 31,851.80

NEW RIVER VALLEY DEVELOPMENT CORPORATION

6580 Valley Center Drive, Radford, Virginia 24141

Phone: (540) 633-6730



Fax: (540) 633-6768

September 4, 2008

MEMORANDUM

TO: Competitiveness Center Participation Committee, VA1st Board

FROM: David W. Rundgren

SUBJECT: Financial Data to support moral obligation for VML/VACO financing

I spoke with Will Turnage again relative to the financing of the Competitiveness Center and the terms that VML/VACO will finance under. He said that he will need an application along with the moral obligation (s) to evaluate the project and make a financing offer, however the conditions that we have been working from still stand. The issue of surety for a 30 year term is still open to discussion. He suggested that a range of interest rates be utilized to evaluate there impacts.

Table 1 lists the current debt payments, National Bank and Rural Development. At the beginning of FY08, the annual debt service was \$205,864. In May the debt service was reduced on the National Bank mortgage to 7.25% which results in an annual savings of \$10,615 dollars. The table also lists Additional Payables (contingent liabilities) of \$440,467. In evaluating interest rates from 4.3 to 5.8 percent, these additional liabilities have been included in the financing.

In addition, the financing will release a reserve fund required by Rural Development in the amount of \$62,040 for use by the Corporation, probably for a maintenance fund.

The page identified as "Budget October 2008 – September 2009" is a draft budget. The numbers in the budget have all been reevaluated base upon expenditures for the past year and include significant increases for utilities. The rent income figure has been recalculated based upon current lease rates for each space with a rate increased by 2.8% for currently empty. Not included are adjusted rent numbers for occupied spaces, which will occur during the year.

As the possibility of a refinancing occurring by October first dim, 1st Year rate at 4.7 percent includes 3 months of payments under the current financing costs and 9 months at the revised rate of 4.7%. That situation projects a \$5,000 shortfall. Options 2, 3, 4, and 5 assume various rates from 4.3 to 5.8 percent. Each of these options, except the 5.8% rate results in positive cash flow projections.

The term for all of the alternatives is 30 years. All of the existing mortgages are at 30 year terms. Shortened terms will not result in improved cash flow situations.

Table 1

New River Valley Development Corporation

	FY 08 Initial	FY 08 Bank Loan Adjusted	Option 1 loan consol 30@4.3%	Option 2 loan consol 30@4.7%	Option 3 loan consol 30@5%	Option 4 loan consol 30@5.8%
Debt Payments						
National Bank	117,120	106,505				
National Bank Note	20,500	20,500				
Rural Development	62,040	62,040				
Rural Development Reserve	6,204	6,204				
VML/VACO			157,418	164,978	170,762	182,421
Total Debt Service	205,864	195,249	157,418	164,978	170,762	182,421
Change from current		10,615	48,446	40,886	35,102	23,443
Additional Payables						
Pulaski Co	84,102	84,102				
Delage	17,000	17,000				
Equipment buyback	10,500	10,500				
VFRIFA	60,000	60,000				
NRVPDC	24,000	24,000				
National Bank Note	244,865	244,865				
Total Other Payables	440,467	440,467	0	0	0	0
Debt Service and Payables	646,331	635,716	157,418	164,978	170,762	182,421

Consolidation of loans will eliminate additional payables of \$440,467

**New River Valley Development Corporation
Budget
October 2008 - September 2009**

	Competitiveness Center 1st Year 30@4.7	Competitiveness Center Option 1 Normal 30@ 4.3	Competitiveness Center Option 2 Normal 30@ 4.7	Competitiveness Center Option 3 Normal 30@ 5.0	Competitiveness Center Option 4 Normal 30@ 5.8
Income					
Rents	<u>\$371,119.35</u>	<u>\$371,119.35</u>	<u>\$371,119.35</u>	<u>\$371,119.35</u>	<u>\$371,119.35</u>
Meeting Room Rents	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
Business Services	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Reimbursements	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00
Telephone					
Copies					
Grants					
Sale of Assets					
Interest					
Interest Reserve Acct.	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Misc.					
Copier Buyout					
Total Income	393,419.35	393,419.35	393,419.35	393,419.35	393,419.35
Expenses					
Management Contract	58,006.00	58,006.00	58,006.00	58,006.00	58,006.00
Debt Payments					
National Bank	26,626.00				
National Bank Note	5,120.00				
Rural Development	15,510.00				
Rural Development Reserve					
VML/VACO	123733.98	157418	164978	170762	182421
Legal	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Travel	600.00	600.00	600.00	600.00	600.00
Electrical Service	47,000.00	47,000.00	47,000.00	47,000.00	47,000.00
Gas Service	29,500.00	29,500.00	29,500.00	29,500.00	29,500.00
Water/sewer/trash	4,272.00	4,272.00	4,272.00	4,272.00	4,272.00
Internet Service	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00
T-1 Service	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
Telephone	8,800.00	8,800.00	8,800.00	8,800.00	8,800.00
Jet Broadband	604.00	604.00	604.00	604.00	604.00
Postage	150.00	150.00	150.00	150.00	150.00
Office Supplies	800.00	800.00	800.00	800.00	800.00
Building Supplies	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00
Marketing/signage	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Administrative	60,518.00	49,968.00	49,968.00	49,968.00	49,968.00
Total	398,439.98	374,318.00	381,878.00	387,662.00	399,321.00
NET	-5,020.63	19,101.35	11,541.35	5,757.35	-5,901.65
Admin. Detail:					
Equip Rent	7,800.00	7,800.00	7,800.00	7,800.00	7,800.00
Maint					
Valley Mechanical	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Computer	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Magic City Sprinkler	3,050.00	3,050.00	3,050.00	3,050.00	3,050.00
Shrader Security	420.00	420.00	420.00	420.00	420.00
Pest Control	900.00	900.00	900.00	900.00	900.00
Fire Safety	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Lawn Care	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Cleaning Supplies	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00
Boiler Inspection	200.00	200.00	200.00	200.00	200.00
RCI	500.00	500.00	500.00	500.00	500.00
Equipment	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Maintenance Reserve					
Dues/Pubs	650.00	650.00	650.00	650.00	650.00
Training	0.00	0.00	0.00	0.00	0.00
Insurance					
Erie	9,205.00	9,205.00	9,205.00	9,205.00	9,205.00
BB&T	313.00	313.00	313.00	313.00	313.00
RiskII	950.00	950.00	950.00	950.00	950.00
Depreciation					
Capital Outlay	10,550.00				
Contractual Service					
Trane Maint Cont	8,880.00	8,880.00	8,880.00	8,880.00	8,880.00
Trane Service	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Audit Fee	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
Misc.					
Copier Buyout					
Net	-5,020.63	19,101.35	11,541.35	5,757.35	-5,901.65

Virginia's **FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**
Competitiveness Center Participation Committee
Meeting Minutes
August 25, 2008

1. Roll Call

2. Background

Mr. Rundgren delivered a slide presentation on the purpose and goals of the New River Valley Development Corporation and the competitiveness center. A handout with this information was provided to each attendee. Background on the development corporation and the competitiveness center's annual budget for the last five years were also provided for attendees' review.

3. Presentation of alternatives

Several different loan terms were identified and presented, including 20- and 30-year terms. Further discussion among the group covered income projections, rent structures and other means by which the center proposed to cover its expenses in the future.

The alternatives to financing a loan were also discussed. Two key issues identified were ownership of the building and impact of bankruptcy on the EDA grant which involves a deed of trust requiring the building primarily be a business incubator for 20 years. The development corporation owns the building rather than the localities. A moral obligation for loan refinancing would shift ownership to those localities offering the MO.

4. Discussion

Questions were asked regarding the total liability of the building and assets versus its actual value. Q. If the loan were not refinanced what would be the worst case scenario? A. The building would need to be sold. Mr. Huber indicated county records now assess the property at \$3.3 million. EDA would require its \$4 million be returned and any outstanding debts would need to be paid. Q. Who has financial oversight of the budget? A. The board of directors (9 people) serve as the financial committee and there is some discussion as to who holds liability for any debt, this may well be the board themselves.

Q. Are there any other precedents for a corporation like this declaring bankruptcy? A. The Alleghany Highlands Economic Development Corporation was the only one anyone knows of and no one was familiar with the particulars.

Mr. Huber pointed out that failing to refinance this loan would incur hidden costs, particularly with respect to the PDC's rent which is currently below market rate. This would, in turn, require the PDC to pay the difference out of its operating fund which the localities pays to provide. Mr. Goodman asked Mr. Rundgren to research what the difference in the current rate versus commercial rate. Mr. Rundgren estimated an increased rent that would equate to approximately \$0.24 in the base rate.

No further action was taken at this meeting, but committee members requested a sheet detailing the liabilities and assets to assess the total costs of refinancing v. not refinancing. The following other action items were identified:

- Members will request vote for \$60,000 line of credit from Virginia's First
- Reissue the spreadsheet detailing each localities' portion of available VF monies
- Set up meeting to discuss VF grant program and develop draft for VF board consideration (to include Ken, Chris, Court, Clay, and Pete
- Get a better determination from Will Turnage on loan terms
- Discuss possible rent increase at the PDC board meeting

5. Adjournment

Respectfully Submitted,

Approved by,

David W. Rundgren

Barry Helms

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Competitiveness Center Participation Committee
Attendance
August 25, 2008

New River Competitiveness Center
Radford, VA

Jurisdiction	Member	Alternate
Craig County	(x) Jay Polen ()	
Montgomery	() Mary Biggs (x) Clay Goodman	() Bob Isner () Carol Edmonds
Pulaski County	(x) <i>Shawn Utt</i> (x) Peter Huber	() Joe Sheffey () Ronnie Coake
City of Radford	() <i>Bruce Brown</i> (x) Basil Edwards	
Town of Christiansburg	(x) Randy Wingfield (x) <i>Barry Helms</i>	
Town of Pulaski	(x) <i>Morgan Welker</i> (x) John Hawley	

Others Present: John White

Staff Present: Dave Rundgren, Christy Straight



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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

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

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: September 4, 2008
TO: Virginia's First Regional Industrial Facility Authority Members
FROM: Dave Rundgren
SUBJECT: Voting Requirements (Agenda Item 5c)

During the committee meeting on the grant program guidelines, the need to consider several differing legal opinions on the voting requirements for board and participation committee actions was raised. Under this agenda item, the board will consider the need for and an approach to clarifying the voting requirements for both the Commerce Park Participation Committee and for the Virginia's First board.