



## *New River Valley Commerce Park Participation Committee*

6580 Valley Center Drive, Suite 124

Radford, VA 24141

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

### **Bland County**

Henry M. Blessing

### **Craig County**

Jay Polen

### **Giles County**

Chris McKlarney

### **Montgomery County**

Craig Meadows

### **Pulaski County**

Peter M. Huber

### **Roanoke County**

Doug Chittum

### **City of Radford**

Bruce Brown

### **City of Roanoke**

Brian Townsend

### **Town of Dublin**

Doug Irvin

### **Town of Pearisburg**

Kenneth F. Vittum

### **Town of Pulaski**

Morgan Welker

### Executive Committee:

Chris McKlarney, Chair

Giles County

Basil Edwards, Vice-Chair

City of Radford

Shawn Utt,

Secretary-Treasurer

Pulaski County

Jay Polen

Craig County

Brian Hamilton

Montgomery County

**DATE:** March 1, 2010  
**TO:** NRV Commerce Park Participation Committee  
**FROM:** Joe Morgan  
**SUBJECT:** March 10 Meeting Agenda

A meeting of the New River Valley Commerce Park Participation Committee will be held on Wednesday, March 10 at noon at the Competitiveness Center, 6580 Valley Center Drive. A grilled chicken and beef burgundy buffet luncheon will be provided by Radford University catering.

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

1. Roll Call and Approval of Agenda
2. Public Comment
3. Approval of the November 19, 2009 meeting minutes *(attached)*
4. Administrative Staff Report *(attached)*
  - a) Program of Work Quarterly Review *(attached)*
  - b) Participation Agreement Amendment #2 Adoption Status
  - c) New Commerce Park Shares for Water and Sewer Funding Pledge
  - d) Surplus Property Status *(attached)*
    - i. New Dublin Presbyterian Church Buffer *(attached)*
    - ii. Five Acre Swap with Airport
    - iii. Southeast of Rhuebush Road
    - iv. Mebane House Lots Listing Status
    - v. Residential Rental Property Status
    - vi. Dalton Farms Agricultural Lease *(attached)*
  - e) Airport Runway Paving Temporary Asphalt Plant at Commerce Park
  - f) Initiation of Development, Covenants and Communications Committee (DC&CC)
  - g) Easements for:
    - i. AEP Access to Bobby R. Coleman Lot - 6062 Collier Street *(attached)*
    - ii. Water and Sewer Improvements
  - h) Insurance Review *(attached)*
5. Old Business
  - a) Engineering Update *(attached)*
  - b) Executive Committee Status
  - c) Megasites Competition
  - d) RAAP New River Works (Dublin) Rail Transfer Study by ATK
6. New Business
  - a) Marketing Staff Report
  - b) FY 2010-11 Budget
  - c) Debt Restructuring *(attached)*
  - d) Election of Officers
8. Closed Session
9. Other Business
10. Adjournment - Next suggested scheduled meeting: Wednesday, May 12, 2010 – *The Executive Committee is requested to meet following the full meeting*

**Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**New River Valley Commerce Park Participation Committee**  
**Meeting Minutes**  
**November 19, 2009**

**1. Roll Call**

The meeting was convened at noon and held at the New River Valley Competitiveness Center in Radford. Chairman McKlarney opened the meeting. Mr. Morgan, Executive Director, clarified the committee representation is “made up of one representative of each participation jurisdiction”, so the roll call will be by jurisdiction. Roll call was taken and a quorum determined (see attached).

Mr. Morgan introduced Mr. Richard Guthrie as a representative of the New Dublin Presbyterian Church as well as Mr. Kevin Byrd and Mr. David Ratcliff with the New River Valley Planning District Commission.

**2. Public Comment**

No public comments were made.

**3. Approval of the August 12, 2009 meeting minutes**

Motion: Mr. Townsend moved approval of the August 12, 2009 meeting minutes. Mr. Welker seconded the motion.

Action: The motion passed unanimously, with 97.85% in the affirmative, 0% opposed, 0% abstaining and 2.15% absent (Bland County and Town of Dublin).

**4. Financial Report**

Financial reports will be submitted on a quarterly basis, following the close of transactions at the end of March, June, September and December. Mr. Morgan described the method for paying monthly bills: copies of all invoices to be paid are being sent to the executive committee members of both VA's 1<sup>st</sup> and the Commerce Park; unless objections are heard from those members payment is made. For internal control separate staff members prepare checks and arrange for signing and distribution of checks. Janet McNew is responsible for preparing checks, as well as the quarterly treasurer's report. Christy Straight arranges for check signing and distribution for approved bills.

September's payables included the Rural Development loan, AEP, Erie Insurance, Miller Long and Associates, NRVPCD, and Simon & Associates.

**5. Administrative Staff Report**

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

**a. Program of Work Quarterly Review (attached)**

Mr. Morgan reviewed the program of work stating the administrative tasks are largely completed and he will be focusing more on the strategic and marketing tasks.

**b. Participation Agreement Amendment (attached)**

The Executive Director reported the Executive Committee reviewed the components of the proposed second amendment to the Commerce Park Participation Agreement as discussed at the July 8 Authority Board of Directors meeting and the August 12 Commerce Park Participation Committee meeting. The Executive Committee recommended adoption of changes in the agreement regarding:

1. the scope of the project;
2. the voting majority required for acquisition or disposition of real or personal property;
3. the project financing; and
4. real estate and business personal revenue sharing.

Both the Executive Director and the Executive Committee members expressed appreciation to Montgomery County and its County Attorney, Martin M. McMahon, for providing guidance in drafting the proposed amendment.

Motion: Mr. Meadows moved the committee approve the draft second amendment to the Commerce Park Participation agreement, which agreement was originally adopted in 1999 and first amended in 2001, for submission of said draft amendment to the Virginia’s First Regional Industrial Facility Authority Board of Directors and member governments. Mr. Utt seconded the motion.

Action: The motion passed unanimously, with 97.85% in the affirmative, 0% opposed, 0% abstaining and 2.15% absent (Bland County and Town of Dublin).

The Committee authorized the Executive Director to proceed with review of the draft second amendment with the Authority legal counsel, as well as request a final review by the Montgomery County Attorney.

**c. Surplus Property Status**

**i. Mebane House Lots Listing Status**

As authorized at the August 12 Committee meeting, the listing has been renewed with Woltz & Associates through May 10, 2010, along with a reservation from the listing of 10 +/- acres for a buffer for the adjacent Church property. A report on the discussions with the church will be reported in closed session.

**ii. Initiation of Development, Covenants and Communications Committee (DC&CC)**

Mr. Morgan recommended a membership composition and duties for the committee as outlined in the administrative report filed with the records of this meeting which include

- o Membership: Two members from the Commerce Park Executive Committee; a representative from all owners of land within the Park, as park property is leased or sold; and for the four required owners of land within one-half mile of Park property – two residential property owners, a representative from New Dublin Presbyterian Church and a representative of neighboring agriculture land owner.

- Duties – In addition to site plan review for all development in the Commerce Park, a meeting at least annually is proposed to receive a briefing on Commerce Park planning and allow the DC&CC to offer suggestions related to planning.

Motion: Mr. Townsend moved the committee adopt the recommendations as presented to the committee. Mr. Utt seconded the motion.

Action: The motion passed unanimously, with 97.85% in the affirmative, 0% opposed, 0% abstaining and 2.15% absent (Bland County and Town of Dublin).

### **iii. Residential Rental Property Status**

One of the residential renters is in arrears and a service account for power at the property has been opened in the Authority's name. Mr. Morgan recommended working with the tenant during the next 90 days to resolve this issue. He suggested having the tenant monitor the Mebane house, particularly in light of the revised and less extensive insurance coverage on the house, as part of a negotiated rental arrangement. The committee agreed in consensus to direct Mr. Morgan to act on his recommendation.

### **d. MAI Appraisal Results (attached)**

Mr. Morgan provided a report on the appraisal by Miller, Long & Associates, Inc., which has valued the primary 838.5 acres of Commerce Park property at \$5.2 million or \$6,200 per acre. He is now scheduling meetings with Stellar One Bank and Rural Development to determine how the updated appraisal may change the requirements for release of property to be sold from the secured collateral. A lease to purchase option may be an alternative to direct sale. The principal balance on the three outstanding borrowings was \$5,367,005 as of June 30, 2009.

### **e. Insurance Review (attached)**

Mr. Morgan recommended an overall review of insurance coverage for the Commerce Park site and VA's 1st Authority operations. Through cooperative procurement a review is available under the Pulaski County agreement with McNeary Insurance Consultants. The cooperative procurement review is also being used by the NRV Airport and New River Regional Jail. McNeary has prepared a proposal, included in the records of this meeting, for the committee's consideration.

Motion: Mr. Edwards moved the committee authorize staff to contract with McNeary for the insurance review at a cost not to exceed \$2,000. Mr. Meadows seconded the motion.

Action: The motion passed unanimously, with 97.85% in the affirmative, 0% opposed, 0% abstaining and 2.15% absent (Bland County and Town of Dublin).

## 6. Old Business

### a. Project NEEMO

#### i. Option for Siting at Commerce Park (attached)

An option was authorized at the July 8 VA's 1st meeting and further discussed at the August 12 Commerce Park meeting. The committee reviewed the option terms proposed for siting Project NEEMO at the Commerce Park:

- site – 35 +/- acre site, identified in the feasibility study master plan;
- option duration – two years, with up to three one year renewals;
- price - \$10,000 per acre;
- access – Virginia Industrial Access Road via extension of existing Commerce Park access road along right of way identified in master plan;
- land transfer – by lease purchase for the initial combined training and production laboratory anchor building site and by lease or fee simple for future building sites #1 – #8.
- payment – by Project NEEMO participation shares or through the project financing at the discretion of each Commerce Park member participant.

The group discussed the fixed price and Mr. Townsend suggested the price could be determined by appraisal at the time of sale. Mr. Chittum asked how this option would affect other prospects interested in the land and a right of refusal with 90 days release option was suggested.

Motion: Mr. Chittum moved the committee adopt the option with terms listed above with revisions to include price to be determined by appraisal at the time of sale, a right of refusal with 90 days release option should other parties demonstrate an interest in the land, and all costs incurred in the project's site development be refunded by NEEMO. Mr. Welker seconded the motion.

Action: The motion passed unanimously, with 97.85% in the affirmative, 0% opposed, 0% abstaining and 2.15% absent (Bland County and Town of Dublin).

#### ii. Participation Agreement Components (attached)

The Committee reviewed a revised listing of suggested components for the Project NEEMO participation agreement in light of the recognition that a location may evolve for the Virginia Nanotechnology Park other than the Commerce Park. Mr. Bopp informed the committee that the Project NEEMO group is moving to consider existing, upgradable properties with less cost per square foot for manufacturing space, such as the New River Industries Building. Similarly, there may be multiple candidate locations for initial laboratory incubator sites. Preparation of more generic siting requirements is underway by Thompson and Litton Engineers.

The Virginia Tech Office of Economic Development (OED) will prepare a pro-forma business plan that considers the Commerce Park site, as well as includes features that are not site specific and can be applied to additional sites that may be identified. Their plan of work is included in the records of this meeting. An advisory committee meeting for the OED work is planned December 1, 2009 in Blacksburg. Completion of the OED work is planned by February 15, 2010 to preserve

the window for state funding consideration during the upcoming Virginia General Assembly session. The components recognize that all Commerce Park participants may not choose to participate in Project NEEMO. The components also recognize that Pulaski Town and County may wish to recover their initial investment in the planning and feasibility study work done to date. Changes in the components from the version reviewed at the August 12 Commerce Park Participation Committee meeting are *underlined and in italicized print*, as noted in the copy filed with the records of this meeting. Guidance was requested on whether the suggested components are suitable for use in seeking Project NEEMO participants and investors. No objections were voiced.

**b. Engineering Update (*attached*)**

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

**c. Agricultural / Residential Lease Renewals**

Mr. Morgan reported that VA's 1st Attorney Jim Guynn confirmed no further procurement is required to allow renewal of leases with current lessees. All current lessees have been contacted to proceed with renewal effective January 1, 2010. The leases include automatic annual renewal until the Committee decides otherwise.

**7. New Business**

**a. Marketing Staff Report**

NRV Economic Development Alliance Executive Director Aric Bopp informed the committee that the nanotechnology related business recruiting is continuing and the Project Aluminum prospect visit has been postponed to a date to be determined. There isn't any big-site activity going on in the region right now.

**b. RAAP New River Works (Dublin) Rail Transfer Study by ATK**

ATK ARMS Manager George Jobson has arranged for David Denny to conduct a feasibility study of an off loading site utilizing the rail infrastructure supporting the New River Works. The rail transfer option may be a cost effective alternative to onsite rail access to the Commerce Park. There will be an update meeting on November 20.

**c. Megasites Competition**

Discussion was encouraged on the member jurisdiction outlook on optimum size and target industries for the Commerce Park that will best compliment the region. The committee was

advised there are over 250, 50+ acre sites statewide and two nationally certified mega-sites (Pittsylvania County/Danville working for certification and the certified Greenville site of 1000+ acres). Determining the ability to market the Commerce Park as a mega-site or with smaller parcels is hampered by the state's perception that the site is not sufficiently ready to market. The committee did generally express a consensus that the sites should attract jobs in the "WALDO" (Warehouse and Logistics Distribution Operations) category and manufacturing industries.

**d. Workforce Characteristics**

Discussion was encouraged on the member jurisdiction outlook on the available workforce for a range of employment from semi-skilled to advanced manufacturing higher skilled jobs.

**8. Closed Session**

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

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

Action: Mr. Polen, aye; Mr. McKlarney, aye; Mr. Meadows, aye; Mr. Utt, aye; Mr. Chittum, aye; Mr. Edwards, aye; Mr. Townsend, aye; Mr. Vittum, aye; Mr. Welker, aye.

**Certification of Closed Session**

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

Action: Mr. Polen, aye; Mr. McKlarney, aye; Mr. Meadows, aye; Mr. Utt, aye; Mr. Chittum, aye; Mr. Edwards, aye; Mr. Townsend, aye; Mr. Vittum, aye; Mr. Welker, aye.

**9. Other Business**

No other business was brought before the committee.

**10. Adjournment**

With no further business to discuss the meeting was adjourned at 2:15 pm. The next meeting will be on Wednesday, March 10, 2010, at noon.

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director

Shawn Utt, Secretary / Treasurer

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

November 19, 2009  
New River Valley Competitiveness Center  
Radford, VA

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

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

**Others Present:** Brian Hamilton, Ron Coake, Aric Bopp, Richard Guthrie

**Staff Present:** Joe Morgan, Kevin Byrd, Christy Straight, Dave Ratcliff





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Radford, VA 24141

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Doug Irvin

### **Town of Pearisburg**

Kenneth F. Vittum

### **Town of Pulaski**

Morgan Welker

### **Executive Committee:**

Chris McKlarney, Chair

Giles County

Basil Edwards, Vice-Chair

City of Radford

Shawn Utt,

Secretary-Treasurer

Pulaski County

Jay Polen

Craig County

Brian Hamilton

Montgomery County

**DATE: March 3, 2010**  
**TO: NRV Commerce Park Participation Committee**  
**FROM: Joe Morgan**  
**SUBJECT: March 10, 2010 Meeting Administrative Staff Report**

### **Information and recommendations on the agenda items are:**

- 1. Roll Call and Approval of Agenda** – Roll call will be by member jurisdiction. Also, please advise if any member needs assistance with filing the annual financial disclosures. Ms. Straight can advise if any member government also needs to complete filing the appointment resolution or oath of office certification.
- 2. Public Comment** – No public comment has been requested at this time.
- 3. Approval of the November 19, 2009 meeting minutes (attached)**
- 4. Administrative Staff Report (attached)**
  - **Program of Work Quarterly Review (attached)** – There may be tasks the committee desires to add or modify.
  - **Participation Agreement Amendment #2 Adoption Status** – To date, I am aware of adoption of the amendment by Pearisburg, Pulaski Town, Bland County, Giles County, Pulaski County, and Roanoke County. The document was structured to allow signatures pages to be combined without having a single document to be circulated to all members. Please advise if any assistance is needed in presenting the document to your member governments' boards and councils.
  - **New Commerce Park Shares for Water and Sewer Funding Pledge** – At the August 12, 2009 Commerce Park meeting, the Participation Committee determined to set aside \$300,000 from excess Virginia's 1<sup>st</sup> dues as a reserve for payments on the water and sewer expansion. It is recommended designation of those reserves be made in additional Commerce Park shares. Purchase of a share is calculated at \$40 per share. Equal allocation of the \$300,000 water and sewer reserve would require 7,500 new shares, at 682 shares per member and a cost per member of \$27,273 for each of the 11 Commerce Park Members. Acquiring those shares by the 2013 start of debt repayment by the Pulaski County Public Service Authority would be timely.
  - **Surplus Property Status** – A letter to Commerce Park members requesting release of the property to be transferred as collateral is attached. Also attached is a rental property map, as of 2007 for reference. Actions suggested are as follows:
    - **New Dublin Presbyterian Church Buffer** – Approval is requested of the buffer transfer terms: lease purchase over a twenty year term at 3.75% interest per annum for a value of \$4,500 per acre for the area shown in the attached sketch, with title transfer at end of the lease term.
    - **Five Acre Swap with Airport** - Transfer is pending lender consent on lot release.
    - **Southeast of Rhuebush Road** - Continue to review options for disposition after details of easements needed for future rail and electric transmission extensions are determined.
    - **Mebane House Lots Listing Status** – Move to auction by Woltz & Associates is recommended, if no acceptable offers arise under current sale listing which ends May 10, 2010.
    - **Residential Rental Property Status** – We continue to work with tenant Ronnie Lester, who is in arrears since July 2009. We are offering to reduce the amount in arrears through maintenance and security monitoring of the Mebane houses, grounds and entrance road. If satisfactory arrangements are not reached by May 1, it may be prudent to request Mr. Lester vacate the property and execute a note for the amount in arrears.

- **Dalton Farms Agricultural Lease Attached** is a letter and draft lease agreement to continue the lease by Dalton Farms, converting the no cost rent that was granted for five years after the property purchase to terms similar to the lease of adjoining farmland by Guthrie Farms.
- **Airport Runway Paving Temporary Asphalt Plant at Commerce Park** – Airport Manager Keith Holt has requested contractors bidding on the pavement be allowed to utilize the Commerce Park as a site for a temporary asphalt plant. He further suggests such arrangements be made on an individual basis directly with the Commerce Park by interested bidders. No contractor requests have been received to date, but I have indicated the Commerce Park members would want to be of assistance to the Airport. The Executive Committee members reviewed the request by e-mail and suggested the temporary arrangement be allowed if:
  - the contractor puts up a bond/letter of credit just in case of any environmental remediation is needed; and
  - a Phase I Environmental Site Assessment be made on the site for the plant prior to location, and have the same Phase I team review the site after the plant has shut down and cleaned up, with all costs born by the contractor.
- **Initiation of Development, Covenants and Communications Committee (DC&CC)** – I am identifying members and hope to have the 2010 annual meeting by May.
- **Easements for:** Ratification is requested of the following easements:
  - **AEP Access to Bobby R. Coleman Lot - 6062 Collier Street (attached)**
  - **Water and Sewer Improvements** – Easements granted reflect the current design status.
- **Insurance Review** - As authorized by the VA's 1<sup>st</sup> Board in January, updates are being made of current coverage with Erie Insurance. Procurement of coverage by July 1, 2010, as recommended by the McNeary, Inc. consultants review is planned, including requesting offers from VML Insurance Programs and VaCorp.

## 5. Old Business

- **Engineering Update** – Regional Planner Christy Straight can provide an overview of progress on the design and construction bidding schedule for the water and sewer upgrade. Key steps needed prior to bid advertisement appear to be: easement acquisition; Radford / Pulaski County PSA water agreement, and Rural Development (RD) acceptance of the Preliminary Engineering Report (PER). Qualification for the lower interest rate (2.75%) based on critical health need is also yet to be confirmed. Meeting the September 2010 start of construction schedule required by the Economic Development Administration (EDA) grant terms still seems possible. Updated construction cost estimates, Draper Aden Associates draft response to RD on PER requirements, and latest bi-weekly design team meeting notes are attached.
- **Executive Committee Status** – Use of an Executive Committee has been helpful, particularly for monthly bills review, meeting agenda review and advice to staff on action taken between Participation Committee meetings. The Executive Committee has enhanced a less frequent full Participation Committee meeting schedule. It is timely to move from a trial to an ongoing basis. The additional recommended duties are evaluation of the Executive Director and approval of action beyond those that are administrative duties. Most Executive Committee duties are advisory and can be handled by e-mail. For action items, I understand the VA 1<sup>st</sup> organizational documents require a meeting with appropriate notice.
- **Megasites Competition** – I continue to gather information on megasite and regional industrial facility authority (RIFA) developments in Virginia, particularly in light of the Governor's megasite initiative. Megasites include: Windsor, Fort Pickett, Chesterfield, Greensville and Danville/Pittsylvania. RIFA's have been organized in Wytheville/Wythe/Bland, Smyth/Washington, Heartland (Piedmont PDC localities), Galax/Carroll/Grayson, Charlottesville region, and Region 2000. Committee members may know of other megasites or RIFA's we need to monitor.
- **RAAP New River Works (Dublin) Rail Transfer Study by ATK** – David Denny advises the preliminary study results do not warrant an independent operation; however, if a rail user or car storage operation is developed at either the New River Works, ShaeDawn or Dublin industrial parks, a shared use rail transfer facility may be feasible.

## 6. New Business

- a) **Marketing Staff Report** – NRV Economic Development Alliance Director Aric Bopp will be absent on March 10, as his family is expecting the birth of a new member. Prospect Committee members may have updates. The Alliance is routinely recommending the Commerce Park to appropriate prospects.
- b) **FY 2010-11 Budget** – No change in the \$2.75 per share contribution is planned for FY11. Expenses are also expected to track FY10. A draft budget is being prepared for review at the March 10 meeting and will be sent as soon as completed. Adoption of the budget should be scheduled no later than the VA's 1<sup>st</sup> Annual Meeting on July 14. Authorization is requested to invoice member localities in the same amount as previous years.
- c) **Debt Restructuring** – Re-evaluating current Commerce Park debt structure is recommended. The Stellar One \$1.12 million loan is capped at 5%, as noted in the attached annual interest rate renewal statement. However, the market rate

index is 2.5% lower. To take advantage of the current historic low interest rates may require member governments to provide moral obligation surety. Direction from the Participation Committee is requested on whether restructuring should be pursued, with or without moral obligation from one or more member governments.

d) **Election of Officers** – Current officers’ terms expire in July. They may be re-elected for the upcoming 2010- 2012 term.

**8. Closed Session** – I am aware of no need for a closed session at this time.

**9. Other Business** – Committee members may have other business to present.

**10. Adjournment - Next suggested scheduled meeting: Wednesday, May 12, 2010** – As activities this spring progress, it may be appropriate to defer the May meeting to July 14, in conjunction with the Annual VA’s 1<sup>st</sup> meeting or to August 11, perhaps in combination with an Alliance Prospect Committee meeting. I also suggest a meeting along with a ground-breaking for the water and sewer expansion, whenever bidding and contract award allows us better to determine a date. *The Executive Committee is requested to meet following the full meeting*

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

Adopted 4-08-09 and Updated  
1-20-10

		<u>TASK</u>	<u>CURRENT STATUS</u> <i>Completed Items Shown in Italics</i>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
<b>PARTICIPATION COMMITTEES</b>					
<b>Commerce Park</b>					
<u>GOVERNANCE</u>					
Officers	Selection of officers for 2010 - 2012 needed		<i>2009 - 2010 Officers McKlarney, Chair; Edwards, Vice Chair; and Shawn Utt, Sec. / Treas.</i>	Chris Basil March - May 2010	Straight / Morgan
Executive Committee	Include officers and 2 at large members for 6 months trial - establish Executive Committee on permanent basis if useful		<i>2009 - 2010 Executive Committee Officers plus Jay Polen from Craig and Brian Hamilton from Montgomery</i>	March - May 2010	Morgan
Executive Director	VA 1st Executive Director to also serve participation committees		<i>Joe Morgan designated as Executive Director</i>	Engaged April 2009 to June 2011	
<u>MEMBERSHIP</u>					
	Welcome other member localities to join		Contacts authorized with other local governments	Ongoing	Morgan
<u>STRATEGIC PLANNING</u>					
2007 Business Plan Review & Adoption	Review and adopt with updates as appropriate		<i>Adopted with Executive Committee authorized to propose incentives and all member governments to confirm</i>	Adopted May 2009 & in Amendment # 2	Morgan
Site Development Strategic Planning	Include overall site needs as part of VA 1st mission regional planning to serve all 15 member governments and Commerce Park specific enhancements within Commerce Park planning		Use of consultants deferred until staff review of currently available data better determines structure of planning needed	2009-10	Morgan
Assessment of Rail Access Practicality	Study alternative of rail transfer options, including cooperation with RAAP Dublin site. High cost of rail access lowers credibility of marketing efforts if represented as a rail accessible site		Rail ROW acquisition being studied and use of RAAP New River Works (Dublin) Site being evaluated for rail trans-load option	2009-10	Morgan
Review of Member Return on Investment	Expand pay back analysis to include broader regional economic impact. 1990's based expectation of high return from machinery & tool taxes may be unrealistic in 2000's		Business Plan anticipates delayed return on investment in coordination with location incentives	2009-10	Morgan
Inventory of large acreage sites in Virginia and the southeast	Develop data base for use in workforce and site strategic planning		Completed for Virginia - Southeast Inventory Incomplete	2009 - 10	Morgan
Frequency	Initial 2 year cycle of review and re-adoption		Review again in 2nd quarter 2010	2009-11	Morgan

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

Adopted 4-08-09 and Updated  
1-20-10

<u>TASK</u>		<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
		<i>Completed Items Shown in Italics</i>		
<b>PARTICIPATION COMMITTEES</b>				
<b>Commerce Park (Continued)</b>				
<u>FINANCE</u>				
Budgeting	Assign to Executive Director	<i>Completed</i>	2009	Morgan
Revenue Sharing	Pulaski County has offered to share real estate taxes	Acceptance included in proposed Amendment #2 to Participation Agreement	April 2010	Morgan
Debt Restructuring	Water and sewer infrastructure upgrade financing and interest rate changes warrant refinancing consideration	Consider moving to municipal moral obligation status	2010	Morgan
Raising Capital	Seek new capital investment, from both public and private sources	For review in 2010	2009-11	Morgan
Surplus Land Disposal	List Mebane Home area with Woltz & Associates as approved in concept in July 2008 - Consider auction sale when second six months listing expires	Re-listing with Woltz & Associates through 4-10-2010, with New Dublin Church buffer reservation	Apr-10	Morgan
Surplus Land Disposal	Process 62 acre site for public hearing for either public or private sale, per Code of VA 15.2-1800, to insure public input and notice of availability. Site south east of Rhuebush Road (Rt 617) unlikely to be useful to Commerce Park mission other than rail and electric ROW	Hearing held 7-7-07 and Report submitted to CPPC on 8-12-09 - Findings to be considered in site strategic planning	2010	Straight / Morgan
<u>INVESTORS</u>				
Public Sector	Develop plan for optional additional investment by current or new member localities	For review in 2010	2009-10	Morgan
Private Sector	Develop marketing plan for non-voting shares to finance further site development and infrastructure	For review in 2010	2009-10	Morgan
<u>MARKETING</u>				
Through Local Economic Developers	Expand networking to PDC's 3 and 5	Underway	Ongoing	Morgan
Through Regional Economic Development Entities	Expand networking to Roanoke Regional Partnership (PDC 5) and Virginia's aCorridor (PDC 3)	Underway	Ongoing	Morgan
Through VA Economic Development Partnership	Use VEDP data base to initiate strategic workforce and site strategic planning	Updated VEDP Research and Marketing Leaders twice in 2009 - More update due in 2010 as W&S construction starts and megasites / workforce research completed	2009 - 10	Morgan
Through VA Economic Developers Association	Maintain frequent contact with VEDP leadership - Network through VEDA	Ongoing	Ongoing	Morgan

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

Adopted 4-08-09 and Updated  
1-20-10

<u>TASK</u>	<u>CURRENT STATUS</u> <i>Completed Items Shown in Italics</i>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>	
<b>PARTICIPATION COMMITTEES</b>				
<b>Commerce Park (Continued)</b>				
<b>MARKETING (Continued)</b>				
Through Existing Businesses	Develop schedule of calls on major regional employers on 2 year rotation to insure awareness of Commerce Park assets	To be scheduled	2009-11	Morgan
VEDP Right Now Sites	Follow up to determine if Commerce Park is feasible for listing as a Megasite, Heavy Industrial Site or Business Industrial Park Site	Updated VEDP Research and Marketing Leaders on 2/5/09 - Commerce Park now listed on VEDP website as a Right Now Site	2010	Morgan
Multiple Site Offerings	Review multiple site layout for compatibility with infrastructure expansion plans and regional site inventory needs as part of strategic planning base information	Lot size availability ranges from 2 to 500+ acres to be confirmed in Participation Agreement Amendment #2	2010	Morgan
Presentation Mapping	Coordinate update with engineering consultants	Updates may be needed to reflect current planning	2009	Morgan
Review of recent prospect information presentations	Use past prospect presentations to develop base for workforce and site strategic planning	<i>Completed</i>	March - May 2009	Morgan
Targeted Industries Selection	Define targeted industries in coordination with strategic planning	Current recommendations include plastics, solar equipment production, major distribution centers, medical equipment, micro-electronics, public sector security and cyber-security equipment - Targets need updating with NRVED Alliance targets and with workforce compatibility plus site strategic planning	2010	Morgan
<b>SITE MAINTENANCE</b>				
Agricultural / Residential Leas	Renew under current terms due to uncertainty on infrastructure extension, surplus property disposal, Project Neemo siting and multiple site layouts	Current easements to be renewed 1-1-2010 with annual renewal options - Confirmation of residential tenants in-kind services underway - Dalton Farms lease to begin March 2010	Dec-09	Morgan

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

Adopted 4-08-09 and Updated  
1-20-10

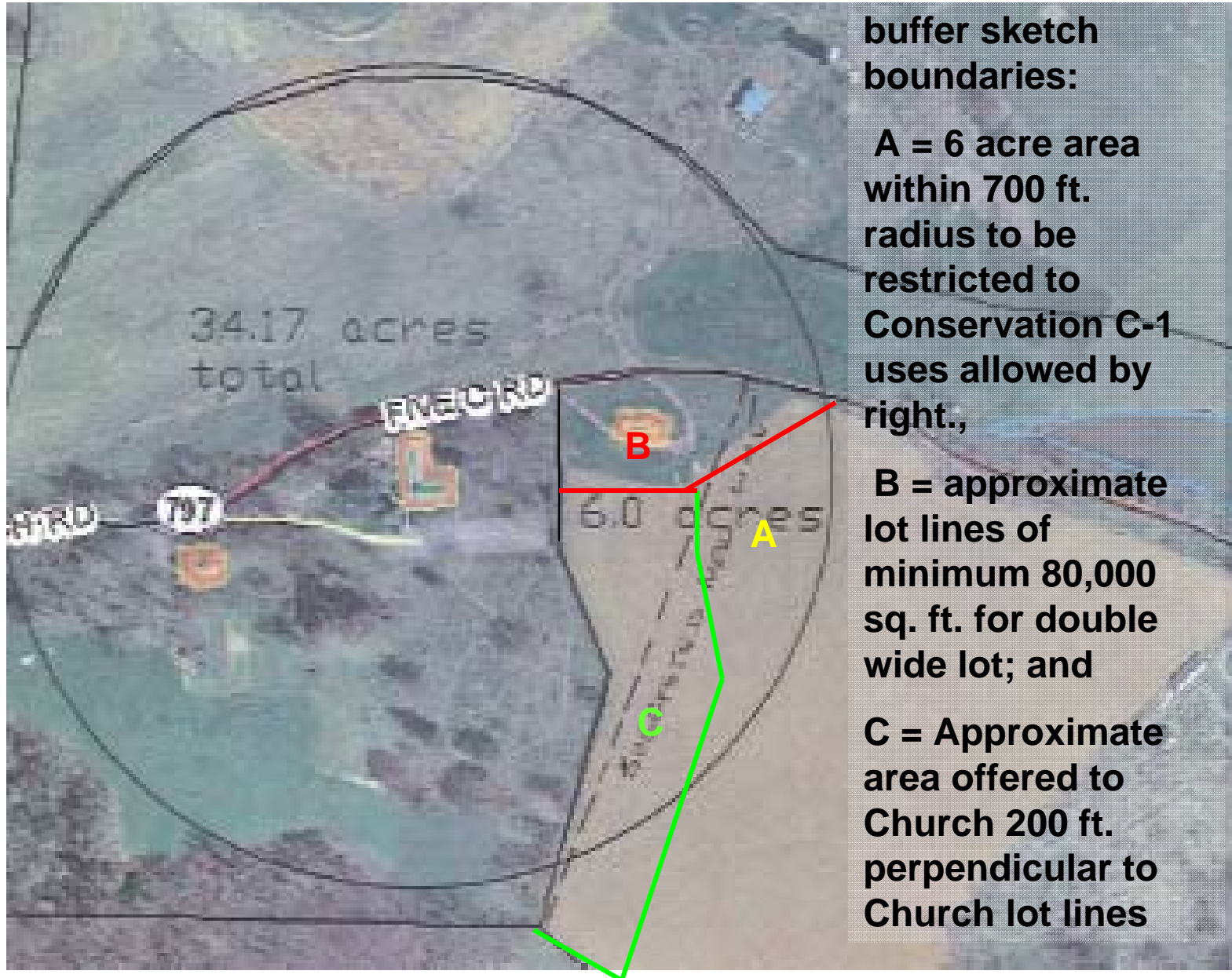
<u>TASK</u>		<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
		<i>Completed Items Shown in Italics</i>		
<b>PARTICIPATION COMMITTEE Commerce Park (Continued)</b>				
<b>SITE MAINTENANCE (Continued)</b>				
Mowing	Consider coordinating grounds maintenance with NRV Airport and / or local governments	Trial arrangement underway for 2009 with NRV Airport in return for use of CPPC tractor/mower, plus supplemental help from renters	Completed for 2009 Review for 2010 and beyond	Morgan
Signage	Coordinate complimentary signage as park layout develops	New entranced signage installed in 2008	2010- 11	Morgan
Beautification	Seek cooperation of neighboring properties on eyesore removal / screening, as well as coordination with NRV Airport and / or local governments	NRV Airport and Pulaski County assisting for 2009	2009 - 10	Morgan
Environmental Hazards Mitigation	Coordinate with water and sewer extensions	<i>Removed July 2009</i>	2009	Straight
Roadways	Coordinate extensions with all users	Maintenance by VDOT and through agricultural and residential leases	2009 -11	Morgan
<b>SITE DEVELOPMENT</b>				
2009-11 Water & Sewer Capacity Expansion	Archeological and endangered species studies underway by NRVPDC	<i>Completed</i>	2009	Straight
2009-11 Water & Sewer Capacity Expansion	underway by Pulaski Co PSA	Easement acquisition	2009 - 10	Ratcliff
2009-11 Water & Sewer Capacity Expansion	Engineering design procurement	<i>Awarded by PCPSA to DAA and Anderson and Associates</i>	2009	Straight
2009-11 Water & Sewer Capacity Expansion	Virginia First / Pulaski County PSA grant agreement documentation	<i>Awarded in March 2009</i>	2009	Straight
2009-11 Water & Sewer Capacity Expansion	Pulaski County PSA / City of Radford water capacity agreement	underway	2009 - 10	Morgan
2009-11 Water & Sewer Capacity Expansion	Coordinate Rural Development / Economic Development Administration / Federal Stimulus / Private Financing	<i>Commerce Park to assume customer status pledge of 1/3 debt service as an availability charge</i>	Aug-09	Straight

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

Adopted 4-08-09 and Updated  
1-20-10

<u>TASK</u>		<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
		<i>Completed Items Shown in Italics</i>		
<b>PARTICIPATION COMMITTEE Commerce Park (Continued)</b>				
<b>SITE DEVELOPMENT (continued)</b>				
Electric Service Upgrade / Substation Location	AEP completed transmission and service upgrade study in 2008 - Coordinate options for upgrade with City of Radford Electric Service and seek financing	option review underway - transmission line easement to be sought	2009 - 10	Morgan
Access Road(s) Extension	Coordinate funding options with VDOT and private investors	Routing and funding dependent on future tenant needs	2009 - 11	Morgan
Broadband Upgrade / Extensions	Coordinate service through Commerce Park	New River Valley Network Wireless Authority	2009 - 10	Morgan
Boundary Adjustment	Complete swap for site desired by Airport with runway access	Swap site accepted by NRV Airport and approved by CPPC 8-12-2009 with survey and deed preparation completed - Lender consent to transfer requested and under review	2009 - 10	Morgan
Protective Covenants	Coordinate updates with strategic planning. Existing covenants may not reflect future development plan	Initiation of Development, Covenants and Communications Committee (DC&CC) authorized 11-19-2009	2009 - 10	Morgan





**buffer sketch boundaries:**

**A = 6 acre area within 700 ft. radius to be restricted to Conservation C-1 uses allowed by right.,**

**B = approximate lot lines of minimum 80,000 sq. ft. for double wide lot; and**

**C = Approximate area offered to Church 200 ft. perpendicular to Church lot lines**

## Joe Morgan

---

**From:** Joe Morgan  
**Sent:** Tuesday, December 01, 2009 7:54 PM  
**To:** Joe Morgan  
**Subject:** FW: New Dublin Church Buffer Area  
**Importance:** High  
**Sensitivity:** Confidential

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**From:** Joe Morgan  
**Sent:** Tuesday, December 01, 2009 6:47 PM  
**To:** tompifer@hotmail.com; Christy Straight (cstraight@nrvc.org)  
**Cc:** VA 1st (jmorgan@nrvc.org)  
**Subject:** New Dublin Church Buffer Area

For Tom Pifer:

Tom,

As we discussed here is my understanding of suggestions for the buffer area for the Church.

Christy,

Please fax this information to Tom Pifer at 540/674-4000 as soon as possible tomorrow.

Concepts for land use restrictions and property transfer between the surplus property of the New River Valley Commerce Park adjacent to New Dublin Presbyterian Church:

1. The Commerce Park Participation Committee will recommend placing a covenant on any land transferred within 700 feet of the Church front door, which is included in the surplus property, so as to limit the allowed land uses within the 700 foot radius to those permitted by right in the Conservation (C-1) Zoning District of Pulaski County. Such restrictions may only be waived by the authorized representative of New Dublin Church. Placing such covenants is not dependent on the Church purchasing any portion of the buffer area.
2. Included in the protected radius is a double wide manufactured housing unit that is listed for sale. The area of the lot on which the double wide unit is located will be reduced to 80,000 square feet.
3. New Dublin Presbyterian Church will be offered for purchase from the surplus property an area of land for a lot line revision to be added to the existing Church property. The land offered for purchase will be up to 200 feet perpendicular to the existing Church lot line between the above mentioned double wide housing unit lot and the south east corner of the Church property. The area of the land to be offered for purchase is estimated at 3 to 4 acres. The purchase offer will extend for 90 days from November 10, 2009.
4. The purchase for the buffer will be \$4,500 per acre, as an accomodation to the Church, but not as an indication of the actual fair market value of the property.
5. The purchase may be accomplished by lease purchase over a twenty year period at an interest rate of 3.75 % per annum, if such lease purchase arrangement is advantageous to the cash flow of the Commerce Park project.
6. The Church will be requested to allow the owners of the surplus pasture land adjacent to the buffer strip offered for purchase to rent said buffer area for pasture until the Church develops or otherwise improves the property.

Please let me know if there are any questions. I appreciate the understanding of you, Richard Guthrie and Janet

Flory in helping determine the best way to provide buffer protection to the Church.

Thanks, Joe

Joseph N. (Joe) Morgan  
Executive Director  
Virginia's First Regional Industrial Facility Authority  
6580 Valley Center Drive, Suite 124  
Radford, VA 24141  
540.639.1524 ext 218 voice mail  
804.441.1646 cell  
[jmorgan@nrfdc.org](mailto:jmorgan@nrfdc.org) - primary e-mail  
[jmorgan@megahits.com](mailto:jmorgan@megahits.com) - secondary e-mail

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## **Virginia's First Regional Industrial Facility Authority**

**6580 Valley Center Drive, Suite 124**

**Radford, VA 24141**

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

March 1, 2010

Mr. Ted Dalton  
President  
Dalton Farms  
3042 Poplar Lane SW  
Roanoke, VA 24014

Dear Mr. Dalton:

Thank you for meeting with me in January to discuss your interest in continuing to lease for farming the acreage acquired for the Commerce Park from your family.

I propose the lease terms include the following components:

1. Parties: Virginia's First Regional Industrial Facilities Authority (VFRIFA), Lessor and Dalton Farms, Inc., Lessee.
2. Term: Calendar Year, renewable January 1 of each year;
3. Total Rent: \$26.61 per acre for 396 acres - \$10,537.56 per year - \$7,903.17 for 9 months in 2010
  - a. Cash Rent: 40% - \$3,161.27 for 9 months in 2010
  - b. Cash or In-Kind Rent: 40% - \$3,161.27 for 9 months in 2010
  - c. In-Kind Rent: 20% - \$1,580.63 for 9 months in 2010
4. Property Location and Description:
  - a. 340.898 acres more or less, with frame tenant house and barns, Tax Map Parcel 037-001-0000-0001, recorded in Deed Book 2005-1151 northwest of Rhuebush Road; and
  - b. 55.102 acres, more or less, Tax Map Parcel 037-001-0000-0021, recorded in Deed Book 2004-6468, southeast of Rhuebush Road.
5. Additional Property Maintenance: may be negotiated as mutually agreeable.
6. Fencing:
  - a. Boundary fences to be maintained by Lessee and included in in-kind rent
  - b. Interior fences to be maintained at sole expense of Lessee
  - c. Fencing from Commerce Park development to be maintained at sole expense of Lessee, if desired for grazing livestock, and installed within 30 days notice.
7. Brush Control: to be provided by Lessee on all non-wooded acreage.
8. Storage: Only storage of equipment, hay or grain allowed and to be negotiated prior to placement.
9. Conversion of Property to Commerce Park Development: Lessee to vacate acreage converted to development with 30 days written notice and rent payment refunded on a prorated basis for current calendar year.
10. Lease Renewal: right to lease in future by competitive bid or negotiation

reserved by VFRIFA, with notice of lease termination and assignment to new lessee given 90 days prior to end of calendar year.

11. Insurance Required:
  - a. General Liability: \$1 million;
  - b. Fire and Casualty: fair market value of house, barns and outbuildings, now estimated at \$25,000 based on 2009 Pulaski County Reassessment
  - c. VFRIFA to be an additional named insured on all policies.
  - d. Identical coverage required for all sub-lessees.
12. Hunting Rights: allocated to Lessee, with notice to VFIFRA of all individuals allowed to hunt, as well as written identification required of any authorized hunter on site.
13. Subleases allowed if sub-lessee(s) identified to VFIFRA and all requirements of Lessee extended to sub-lessee(s)
14. Access: convenience of access from the New River Valley Airport to a portion of the leased fields is acknowledged

These suggested terms are similar to those of the lease with Guthrie Farms for Commerce Park acreage.

I will request approval of the lease terms at the Wednesday, March 10, 2010 meeting of the Commerce Park Participation Committee. Please advise prior to that date if the terms are acceptable.

Once the acceptable terms are determined by you and the Commerce Park Participation Committee, I will request VFRIFA Attorney Jim Guynn to prepare a lease document. A rough draft of the lease format is enclosed, based on the format used for Guthrie Farms. It may also be prudent to include other terms, such as those in the current "no rent" lease you have for the property following the purchase by VFRIFA in 2005.

On behalf of the Commerce Park member governments, please accept our thanks for the stewardship you have provided to the property since it was acquired for the Commerce Park.

Sincerely,



Joseph N. (Joe) Morgan  
Executive Director

CC: Attorney Jim H. Guynn  
Enclosures

## LEASE AGREEMENT

This lease between Virginia's First Regional Industrial Facility Authority (VFRIFA), Lessor, and Dalton Farms, Incorporated, Lessee, shall begin April 1, 2010 and will become renewable on January 1, 2011 and then annually January 1 of each year thereafter and shall be leased under the following terms and conditions:

1. Approximately 396 acres will be leased annually at a minimum investment of TEN THOUSAND FIVE HUNDRED THIRTY-SEVEN DOLLARS and FIFTY-SIX CENTS (\$10,537.56), which includes rent payments of \$8,430.04 in cash (\$4,215.02 to be paid at the beginning of the lease period and the remaining \$4,215.02 to be negotiated at the end of the lease period) and an investment of at least \$2,107.51 in herbicides, fertilizer, lime and their application and other improvements to the property not including those required for farming operations shall be made. In the event that property management costs and property improvements do not exceed a \$6,322.54 investment, the difference shall be paid to VFRIFA at the end of the lease period. For calendar year 2010, the lease payments will be three quarters of the annual amount, to reflect the nine month period of the lease.

2. The property leased is that property acquired from the family of the Lessee, as follows: 340.898 acres more or less, with frame tenant house and barns, Tax Map Parcel 037-001-0000-0001, recorded in Deed Book 2005-1151 northwest of Rhuebush Road and 55.102 acres, more or less, Tax Map Parcel 037-001-0000-0021, recorded in Deed Book 2004-6468, southeast of Rhuebush Road.

3. Other property management options may be decided between the parties. Such improvements shall be documented in writing as an attachment and may be utilized to reduce the cash payments to VFRIFA.

4. It will be the responsibility of the lessee to maintain the boundary fences. Any interior fencing required for management of livestock shall be the responsibility of the lessee and not counted toward land improvement. It will be the responsibility of the lessee to maintain any existing fences and fence the lease

land from the lands being utilized for development of the industrial site upon thirty (30) days of notification by the Authority that such property will be utilized, provided that the Lessee wishes to graze livestock on the leased land.

5. It will be the responsibility of the lessee to provide brush control and general upkeep of the leased land described above.

6. Any storage of equipment, hay or grain shall be negotiated with Virginia's First prior to placement.

7. In the event that said property or portion thereof being leased under this agreement is needed for the development of the New River Valley Commerce Park Industrial site, VFRIFA will provide a written thirty (30) day notice prior to its need and will refund, pro rata any costs associated with the reduced acreage or lease term, for the property to be utilized for the development of the Commerce Park Industrial site.

8. The lease will begin April 1, 2010, and terminate on December 31, 2010. This lease is renewable for periods of one (1) year provided, however that either party may terminate the lease upon a ninety (90) day notice or the rent will be refunded, pro rata. The rent will be adjusted by the cost of living, commencing with the next term to begin on January 1, 2012. Should the contract be renewed, a lease payment will be required in advance to execute the lease.

9. The Authority reserves the right to seek proposals leasing the property to other renters for 2011 and subsequent years. The Authority will endeavor to complete any such procurement ninety (90) days prior to the end of the calendar year proceeding the new lease year.

10. During the initial and all renewal terms of this lease, the lessee will be required to maintain general liability insurance on the property in a minimum amount of One Million Dollars (\$1,000,000), as well as fire and casualty coverage on all residential, barn and other outbuildings on the property at actual cash value, not lower than \$25,000. This policy shall list Virginia's First Regional Industrial Facility as additional

insured, thus insuring the Authority against loss of any nature.

11. The lessee shall have hunting rights on the 396 acres being leased and shall provide the owner, VFIRFA, with a list of all persons authorized to hunt on the premises. Additionally, the lessee shall provide written authorizations to all persons hunting on the said premises.

12. In the event that the property referred to in this lease shall be subleased, the lessee shall provide VFIRFA with the name of the person(s) to whom the property shall be subleased. In no such way, shall a sublease of the property release the lessee from the obligation to provide the required insurance on the property being leased. Additionally, the person subleasing the property shall be required to provide the same coverage as required by the lessee and shall list VFIRFA as additional insured on written policy. Such policy shall be provided to VFIRFA and shall remain in effect for the term of the sublease.

13. Access: The convenience of access from the New River Valley Airport to a portion of the leased fields is acknowledged and there is no objection to such access, as has been the custom. The Lessor will assist with communicating the desire to maintain such access.

If these terms and provisions are acceptable, please execute both originals of this document.

ACCEPTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Ted E. Dalton, President  
Dalton Farms, Inc.

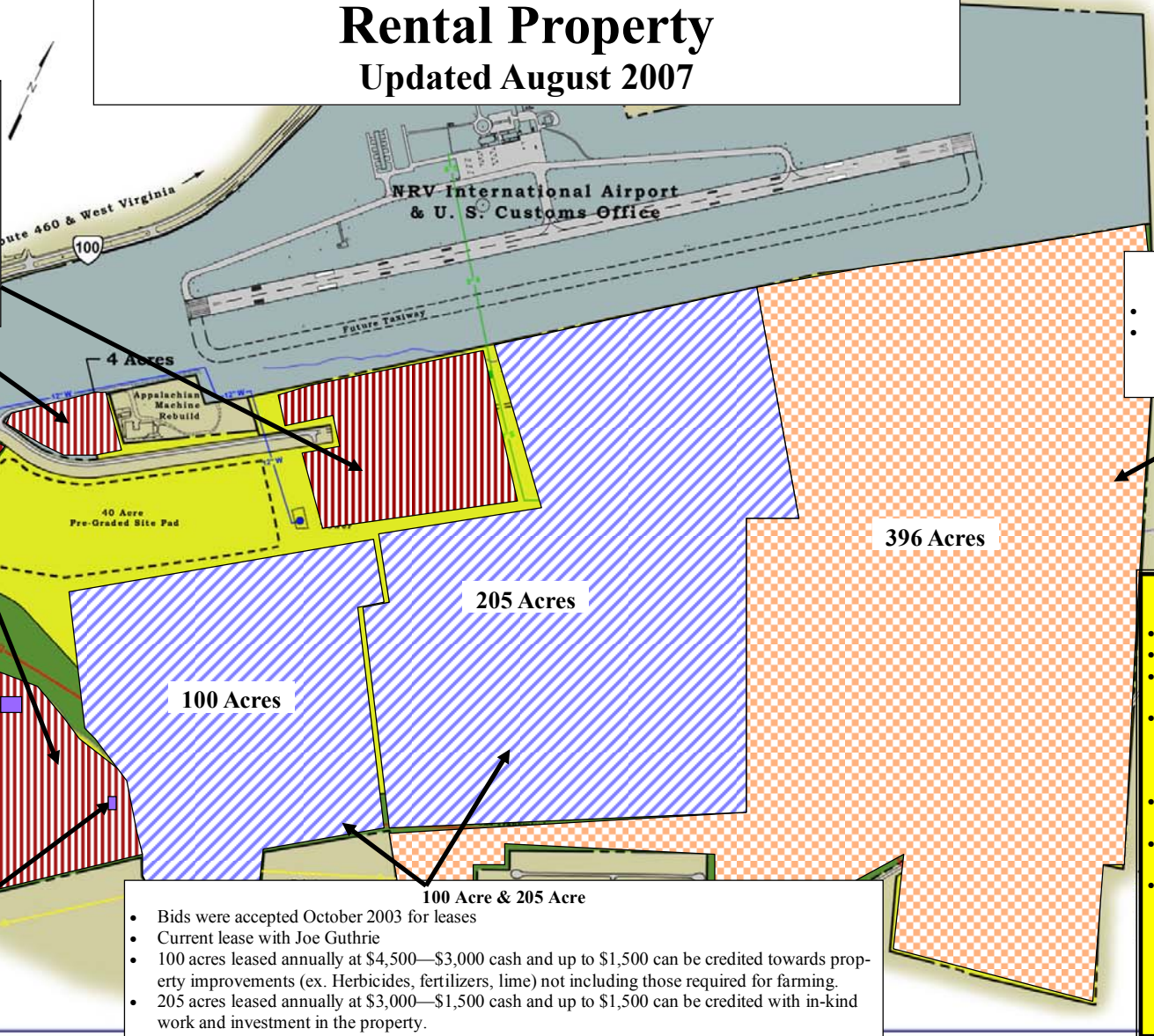
AGREED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Joseph N. Morgan, Executive Director  
For: Virginia's First Regional Industrial Facility Authority





# New River Valley Commerce Park Rental Property Updated August 2007

- Approximate 100 Acres Total**
- 43 Acres previously owned by Pulaski County Industrial Development Authority
  - 30 Acres behind the Mebane House
  - 5 Acres adjacent to Appalachian Machine Re-build
  - 22 Acres of green space adjacent to 40-acre pad
  - Presently leased to Dale Flory
  - \$2,500 per year.
  - 3.2% escalation clause in lease



- 396 Acres**
- Leased to Edwina Dalton
  - No charge till March 2010 as part of original purchase agreement.

- 1994 Double Wide:**
- 3 bedroom, 2.5 bathrooms
  - 1904 square feet
  - Rented to Ronnie Lester
  - \$415 per month
  - 3.2% escalation clause in lease
  - Provision in lease to keep an eye on the property and report anything suspicious

- Late 1960's early 1970's Mobile Home:**
- Rented to Steven Crockett
  - \$210 per month
  - 3.2% escalation clause in lease
  - Provision in lease to keep an eye on the property and report anything suspicious

- 100 Acre & 205 Acre**
- Bids were accepted October 2003 for leases
  - Current lease with Joe Guthrie
  - 100 acres leased annually at \$4,500—\$3,000 cash and up to \$1,500 can be credited towards property improvements (ex. Herbicides, fertilizers, lime) not including those required for farming.
  - 205 acres leased annually at \$3,000—\$1,500 cash and up to \$1,500 can be credited with in-kind work and investment in the property.
  - 3.2% escalation clause in lease
  - Lessee gets two cuts on the 40-acre graded pad and adjacent 20-acres at no cost.

- Rental Property Summary**
- Four separate leases
  - Annual leases
  - Lease terms end June 30, 2008
  - Each lease has a 30-day notice clause should property be needed for industrial development.
  - Lessee provide proof of insurance coverage.
  - Total value of all leases is \$17,500 annually
  - Up to \$4,720 annually may be credited from lessees maintenance and improvements to the property (receipts and verification required.)

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# NEW RIVER VALLEY PLANNING DISTRICT COMMISSION

6580 Valley Center Drive, Suite 124  
Radford, Virginia 24141

Phone: (540) 639-9313

Fax: (540) 831-6093

E-Mail: [nrpdc@nrpdc.org](mailto:nrvpdc@nrpdc.org)

Website: [www.nrvpdc.org](http://www.nrvpdc.org)



Kevin R. Byrd, AICP  
Executive Director

## Memorandum

Date: February 22, 2010  
To: Dave Ratcliff; Kevin Byrd; Gary R. McCollum; Joe Morgan; Lowell Bowman; Peter Huber; Rick DiSalvo; Ron Coake; Shawn Utt; Theron Barrineau  
From: Christy Straight  
Subject: Agenda for Project Team Meeting

### ***Agenda—February 24, 2010 1:30 pm***

1. Critical Path Items (See next page)
2. Other business to discuss
  - a. Title opinion easement review
  - b. Cost estimate
3. Next project team meeting — March 10, 3:00 pm

<b>Item</b>	<b>Lead assigned to complete</b>	<b>Due date</b>	<b>Status</b>
<b>Easements</b>			<i>All easements needed for EDA approval to advertise bid</i>
• VDOC	Pete/Tom McCarthy	Feb. 24	Tom is going to contact AG about compensation and easement language
• Akers	Pete/Tom McCarthy	Feb. 24	County decided mediation is not the best option Tom will talk with Kendal about compensation next week. A \$5,000 offer was made, but not submitted in writing
• BGB	Ronnie/Dave/Lowell	Feb. 24	Current easement crosses a drainfield reserve and will need to be relocated. Will probably add another easement in Lot 1. Engineers will draft revised path and Dave will contact property owners.
• City of Radford	Dave	Pending other	Waiting on signature—will not be signed until water agreement finalized
• Airport	Dave		Completed
<b>Rural Development (RD) PER</b>	Gary		<i>Approval required for RD loan application processing</i> PER is in Eddie Smith's office for review
<b>RD ER</b>	Christy		<i>Approval required for RD loan application processing</i> Submitted, now in review by Robert Hilt
<b>RD loan pre-approval letter</b>		Pending	<i>Necessary to getting RD's approval for bidding and for reimbursements</i>
<b>Radford/PSA water agreement</b>	Pete	Feb. 28	<i>Required by Radford before signing easement</i> <i>Required by VDH before advertising bids</i> Final version presented to Radford Council Feb 22 Pete will send two copies signed by PSA to Radford
<b>Commerce Park/PSA customer agreement for debt service</b>	Pete	March 12	<i>Needed for RD PER</i> In review by Tom Commerce Park committee has approved concept, will have to approve final agreement
<b>Local approval of all plans &amp; specs and E&amp;SC plans</b>	Ronnie/Gary	Feb. 24	Ronnie will sign letters and return to engineers
<b>Soils testing</b>	Ronnie	Pending	Ronnie waiting to receive data from lab

# NEW RIVER VALLEY PLANNING DISTRICT COMMISSION

6580 Valley Center Drive, Suite 124  
Radford, Virginia 24141

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



Kevin R. Byrd, AICP  
Executive Director

## Memorandum

Date: February 18, 2010  
To: Commerce Park Infrastructure Improvements Project Team  
From: Christy Straight  
Subject: Summary of February 10, 2010 project meeting

### Attendees

Pete Huber, PSA  
Ronnie Coake, PSA  
Christy Straight, NRVPCD  
Dave Ratcliff, NRVPCD  
Rick DiSalvo, DAA

Gary McCollum, DAA  
Lowell Bowman, A&A  
Theron Barrineau, A&A  
Joe Morgan, Virginia's First

### Summary

#### ❖ Critical Path Items

A summary of the meeting's discussion is outlined in the table below. Please refer to the due date column to determine what items require action before the next meeting.

Item	Lead assigned to complete	Due date	Status
<b>Easements</b>			<i>All easements needed for EDA approval to advertise bid</i>
• VDOC	Pete/Tom McCarthy	Feb. 24	Tom is going to contact AG about compensation and easement language
• Akers	Pete/Tom McCarthy	Feb. 24	County decided mediation is not the best option Tom will talk with Kendal about compensation next week. A \$5,000 offer was made, but not submitted in writing
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• City of Radford	Dave	Pending	Waiting on signature—will not be signed until

Item	Lead assigned to complete	Due date	Status
		other	water agreement finalized
• Airport	Dave		Completed
Rural Development (RD) PER	Gary		Approval required for RD loan application processing PER is in Eddie Smith's office for review
RD ER	Christy		Approval required for RD loan application processing Submitted, now in review by Robert Hilt
RD loan pre-approval letter		Pending	Necessary to getting RD's approval for bidding and for reimbursements
Radford/PSA water agreement	Pete	Feb. 28	Required by Radford before signing easement Required by VDH before advertising bids Final version presented to Radford Council Feb 22 Pete will send two copies signed by PSA to Radford
Commerce Park/PSA customer agreement for debt service	Pete	March 12	Needed for RD PER In review by Tom Commerce Park committee has approved concept, will have to approve final agreement
Local approval of all plans & specs and E&SC plans	Ronnie/Gary	Feb. 24	Ronnie will sign letters and return to engineers
Soils testing	Ronnie	Pending	Ronnie waiting to receive data from lab

#### ❖ Other business

The PSA board had a question about the tank pumps. Their cost estimate showed a .5 mgd pump, but the pumps will actually be able to handle 2 mgd. Gary will look at the spreadsheet to correct if need and update the cost estimate information.

Pete asked what items need to be completed before bidding the project. Joe also asked about a likely start date. The items in the table above and the completed title opinion are required before bids can be advertised—easements must be completed and title opinion submitted before final approval by EDA; PER and ER must be approved by Rural Development before they can begin processing the application and issuing a pre-approval letter. Once RD issues the letter, they will likely require a review of the plans and specs and easements before advertising. March 1 is an optimistic bid date; construction will not start before mid-April and several contracts currently have restriction on construction activity at that time.

Lowell will start reviewing the easements in hand with Tom McCarthy, Dave Ratcliff, and Ronnie to expedite the title opinion process.

#### ❖ Next meeting

The next meeting is scheduled for February 24, 2010 at 1:30 pm by conference call.

February 26, 2010

Ms. Carrie Schmidt, Director of Community Programs  
US Department of Agriculture Rural Development  
1606 Santa Rosa Road, Suite 238  
Richmond, Virginia 23229-5014

**RE: Pulaski County PSA and New River Valley Commerce Park  
Water and Sewer System Improvements  
Preliminary Engineering Report – Water  
Draper Aden Associates Job No.: B99338-08A**

Dear Ms. Schmidt:

Draper Aden Associates has received your comment letter dated February 10, 2010 relative to the referenced project. Comments were offered based upon our PER dated November 3, 2009 and its Addendum No. 1 dated January 21, 2010. We are responding to your comments herein. We have repeated your comments in the text below for simple reference between questions and answers. Because some of the questions raised were addressed before, but you had difficulty in locating the answers, we have rearranged Appendix H into sections, for clarity. Appendix H is referenced frequently below.

1. *Please follow the guidance provided in RUS Bulletins 1780-2 when preparing the PERs.*

The guidance has been followed in the development of Addendum No. 1.

2. *This PER does not address the increase in sewage flow resulting from an increase in water usage. What plans does the PSA have for addressing this issue?*

This PER addresses the need to increase the capacity of the PCPSA water system to deliver water to new users, and to provide a secondary water source, located in a strategic location, for the purpose of providing system redundancy and improved end-of-system water quality. The future locations of new users, with

the exception of commercial users who will relocate to the Commerce Park site, are largely unknown. Improvements to the PCPSA sewer system in general cannot be prudently planned until the water user locations are established. With regard to the Commerce Park, there is a Wastewater PER, which provides information concerning a wastewater force main upgrade project for the disposal of the first 1.0 MGD to be used at the Commerce Park. This project has been reviewed by your office. There is also a sewer design in place for the disposal of greater volumes of sewage from the Commerce Park in the future. You have not reviewed the sewer design, which is a project programmed for the future.

- 3. The PER indicates this project will not have a positive cash flow. In addition, PSA's water system income and expenses were not provided. If the PSA's water system does not support this project then water rates will need to be raised in order to have a positive cash flow.*

We agree the PER indicates this project will not create a positive cash flow. As a result, a rate hike will be required for the water system. That rate hike was calculated in Appendix H, on page 4. Appendix H was also where the revenue income from rates was calculated, pages 2 and 5, and the current water system expenses were shown, page 3. Based on a shortage of revenue to fund the new project, the calculation was performed a second time using rates increased \$0.35/1,000 gal to determine that such a rate hike would be required for positive cash flow on the water budgets. The PCPSA has been receptive to this potential hike of \$0.35.

- 4. Please include the number of water and sewer users and usage for residential, commercial and bulk customers in the income analysis. Note that the number of users in each usage class (volume) must be provided along with the rates for each usage class in order that we may calculate the income. The method used to calculate the income analysis provided in Addendum No. 1 is not clear.*

In Appendix H, we ran the revenue from rates calculation twice, once using existing rates, page 2, and once using the increased rates, page 5. The calculation clearly showed the number of users in each usage category, the individual monthly bills for users in each category, the number of 1,000 gallon units used in each category and the total revenue that could be expected from each category on a monthly basis. The total number of users was summed (4,604 residential, 271 commercial, 2 bulk) and the total estimated monthly revenue was calculated for each scenario. Under existing rates, the annual revenue appeared to be \$1,715,660 (page 2) and under increased rates, the annual revenue would project to \$1,906,065 (page 5).

5. *Provide a Short-Lived Assets Replacement Schedule for the PSA's water system including the proposed project using a 5, 10 or 15 year life for each asset. Please include the make, model, and mileage of licensed vehicles. For non-licensed vehicles, please include make, model and engine hours.*

The Short Lived Assets Reserve Determination was included in Appendix H of Addendum No.1. Based on the schedule, it would appear that annual costs of \$176,165 should be expended to provide for the replacement of the short lived assets over time (page 4). This is an amount that can be handled outside of rate adjustments, and covered with the existing reserve funds of \$1,500,000 in the PCPSA budgets.

Per your request, we are providing the make, model, mileage and engine hours of the various equipment items requested in your letter.

**Comment [g1]:** Need input from PCPSA for the table below.

Equipment	Make	Model	Mileage or Hours

6. *A copy of the latest draft of the water purchase agreement between the PSA and City of Radford must be provided for review and approval.*

A copy of the agreement between PCPSA and the City of Radford is enclosed. This agreement was ratified by the City of Radford in their February 22, 2010 meeting.

**Comment [g2]:** Need the final agreement for attachment.

7. *The proposed 24" water transmission main and pump station do not appear modest in size, cost and design, since other project components (booster station) are sized for 1.0 MGD and this main and pump station are sized for 6.0 and 4.0 MGD, respectively. Rural Development regulations prohibit the funding of a project that is not modest in size, cost and design.*

As noted in item 2 above, the new source of water, from the City of Radford, to PCPSA, is for the purpose of meeting increasing water demands throughout Pulaski County and at the New River Valley Commerce Park. The project is the first step in the provision of as much as 4.6 MGD (average day flow basis) of



flow to this area. The project also is intended to help the project Owner avoid an expansion of their existing water treatment plant in the next few years, by providing up to 3.0 MGD of capacity from an alternate source. As such, the project has been designed with substantially sized equipment, which will accommodate several of the future needs, while maintaining a modest design where possible. In the design of the 24-inch water transmission main, for example, it is far more economical to install the main sized for the future than to install a smaller main and have to parallel the main in the near future. The pumps are sized for 2.0 MGD each, and in the future, three will run and one will remain in standby service to produce 6.0 MGD under maximum day flow conditions. In the current project we are proposing three units (up to two will run with one on standby). This will allow the pumps to run a relatively short period of time each day to meet the PCPSA demands. It is best to have pumps running intermittently, rather than constantly.

8. *Provide a present worth analysis of the water system alternatives.*

We are providing a present worth analysis of the water system alternatives. This is a very rough analysis since many of the operating costs cannot be estimated with great accuracy.

Comment [g3]: This could take some time.

9. *Provide an annual operating budget for the PSA's water system; please include a 25% O&M Reserve, Short Lived Assets Reserve, and Debt Service Reserve. Please note that the O&M Reserve should be accumulated over a five year period. Do not combine the water and sewer budgets.*

The impact of the project on the budget is shown in Appendix H, page 4. It is our understanding after a meeting with the County Administrator that the cash reserve for the PSA included an O&M reserve for many years until they had achieved a significant cash reserve. The PSA has sufficient funds to cover the RD requested O&M Reserve.

10. *What is the accountability of the PCPSA water system? What efforts have been made to improve accountability? Please Comment.*

What is the answer?

Comment [g4]: Info available from PCPSA?

11. *Provide a table with PCPSA water production and billings in 10 year increments beginning in 1990 and estimate through 2040. Separate the Commerce Park estimated needs from the other estimated needs.*

Need the data to work this through.

Comment [g5]: RD has never asked for this on one of our projects. Need a lot of help with this.

12. *U.S. Census Bureau data shows a decline in population from the year 2000 to 2008. Provide population projections for the project planning period. These projections should be based on historical records with justification from recognized sources.*

We need to do some research on this, and will use water sales records etc

**Comment [g6]:** Need help to outline this. We have a resource, but it will take some time.

13. *The Fairlawn Community Water Improvements Project connected the PCPSA to Radford Army Ammunition Plant (RAAP) in 1998 with a maximum supply capacity of 576,000 gpd. It appears that if PCPSA renewed their contract with RAAP this would satisfy the PCPSA's demand for many years.*

Unfortunately, the contract experience with RAAP revealed that the RAAP system is extremely unreliable. On many occasions, through the term of the contract, the RAAP supply could not provide the water needed by the PCPSA water system. In fact, failure to provide water became the rule more than the exception. The PCPSA should not pursue a continuing contract relationship with the RAAP water system.

14. *In reference to comment number 13 above, what efforts have been made to renew this contract to purchase water?*

No efforts to date. It is best not to attempt to renew this contract. At some time in the future it may be more productive for PCPSA to agree with RAAP to serve the Arsenal from the PCPSA

15. *Provide a present worth analysis comparing the cost of a 12" WL, 16" WL and a 24" WL. This is for the main leaving the Radford WTP.*

We have significant analysis to do for this.

**Comment [g7]:** We have what is needed. Just need to work it through.

16. *What is the maximum flow and velocity that the 8" WL on Route 11 can handle? Please provide calculations and assumptions.*

We'll need to run the model.

**Comment [g8]:** Can do with Larado's help.

17. *Does VFRIFA have a written agreement with the PCPSA? How long will they contribute \$47,800 to the PCPSA? Rural Development will need to review the agreement made by VFRIFA to commit funds to the PCPSA.*

Agreement attached.

**Comment [g9]:** Will this be ready to accompany the letter.

18. *It does not appear that any more water storage capacity is needed. Please provide figures showing how many days of storage exists today based on current usage and estimated fire flow.*

This was justified in the PER based upon the additional uses in the Commerce Park. In general, the PCPSA water system does not yet need additional water storage. Due to the location of the Commerce Park and rather small water mains, the Commerce Park resident industries will need storage.

19. *Provide a detailed project cost including all the necessary project planning factors.*

Refined cost estimates and analysis of the planning factors are attached for review. This is revised Appendix H.

20. *Provide a detailed estimated construction cost estimate including the 20 new water meters.*

A revised detailed construction cost estimate is attached. We have set up the estimate in accordance with the design documents, for comparison to bids. The cost share spreadsheet is also included for use.

21. *It does not appear that the production cost of water produced at the PCPSA WTP (\$237,250) can be directly calculated as shown. This would reduce annual O&M from \$394,775.64 to \$157,525.64. Please comment.*

What is the answer?

**Comment [g10]:** We need to review and determine the best response. Will need help from PCPSA.

22. *Rural Development funds may not be used to improve Radford's infrastructure. The PCPSA must own all improvements funded by Rural Development.*

In accord with the draft water purchase agreement, provided in Appendix G of the PER, PCPSA will be the owner of all new facilities completed in this project.

**Comment [g11]:** In the final agreement, hope all the facilities are still to be owned by PCPSA.

23. *Does EDA require matching funds? Please comment.*

What is the answer?

**Comment [g12]:** Does Christy know this off hand?

We look forward to your approval of the project at your earliest convenience. Please do not hesitate to contact us if you have questions or comments, or if you require additional information.

Sincerely,  
**DRAPER ADEN ASSOCIATES**

Ms. Carrie Schmidt  
February 26, 2010  
Page 7 of 7

Gary R. McCollum, P.E.  
Sr. Technical Project Manager

Enc: Revised Addendum No. 1

cc: Ron Coake P.E., County Engineer, PCPSA (1 copy)  
Kevin Byrd, Executive Director, VFRIFA (1 copy)  
Theron Barrineau, P.E., Project Manager, Anderson & Associates, Inc. (1 copy)  
Joseph Hayes, P.E., Engineers Plus (1 copy)  
Richard M. DiSalvo, Jr., P.E., Chief Operating Officer, Draper Aden Associates  
Tim O. Moore, P.E., Utilities Team Leader, Draper Aden Associates

Pulaski County/Commerce Park  
 Water System Improvements  
 Proposed Cost Split Between Commerce Park and PCPSA

Adjusted to February 15, 2010

	Amt	Units	Unit Cost	Total Cost	EDA Grant Grant	%	Total Match Match	%	Commerce Park Match	%	Pulaski Co PSA Match	%	Rationale for Cost Splitting
<b>Contract No 1 - Pumps and Controls</b> 4.0 MGD Radford Pump Station 2.0 MGD Commerce Park Pump Station Electrical Controls Instrumentation and SCADA				\$659,000	\$309,071	46.9%	\$349,929	53.1%	\$218,129	33.1%	\$131,800	20.0%	See Cost Estimate of Feb 15, 2010
<b>Contract No 2A - 24-inch Water Main - Overland</b> 24-inch Water Line				\$1,910,850	\$896,189	46.9%	\$1,014,661	53.1%	\$254,143	13.3%	\$760,518	39.8%	See Cost Estimate of Feb 15, 2010
<b>Contract No 2B - 24-inch Water Main - River</b> New River Directional Bore Crossing				\$825,000	\$386,925	46.9%	\$438,075	53.1%	\$109,725	13.3%	\$328,350	39.8%	See Cost Estimate of Feb 15, 2010
<b>Contract No 3 - 12-inch Water Main - Commerce</b> 12-inch Water Line				\$413,500	\$193,932	46.9%	\$219,569	53.1%	\$197,653	47.8%	\$21,916	5.3%	See Cost Estimate of Feb 15, 2010
<b>Contract No 4 - 1 MG Water Storage - Commerce</b> 1 MG Ground Level Storage Tank				\$810,000	\$379,890	46.9%	\$430,110	53.1%	\$387,180	47.8%	\$42,930	5.3%	See Cost Estimate of Feb 15, 2010
<b>Contract No 5 - On Site Water and Sewer - CP</b> 12-inch Water, 8-inch Sewer				\$404,039	\$189,494	46.9%	\$214,545	53.1%	\$145,050	35.9%	\$69,495	17.2%	See Cost Estimate of Feb 15, 2010
<b>Contract No 6 - 12-inch Force Main - CP</b> 12-inch Sewer Force Main				\$403,425	\$189,206	46.9%	\$214,219	53.1%	\$214,219	53.1%	\$0	0.0%	See Cost Estimate of Feb 15, 2010
<b>Estimated Construction Cost</b>				<b>\$5,425,814</b>	<b>\$2,544,707</b>	46.9%	<b>\$2,881,107</b>	53.1%	<b>\$1,526,099</b>	28.1%	<b>\$1,355,009</b>	25.0%	
<b>E,L,M and Contingency</b>	18% of construction			<b>\$976,647</b>	<b>\$458,047</b>	46.9%	<b>\$518,599</b>	53.1%	<b>\$274,698</b>	28.1%	<b>\$243,902</b>	25.0%	
<b>Project Total</b>				<b>\$6,402,461</b>	<b>\$3,002,754</b>	46.9%	<b>\$3,399,707</b>	53.1%	<b>\$1,800,796</b>	28.1%	<b>\$1,598,910</b>	25.0%	
<b>Adjustment for grant eligibility</b>									<b>(\$500,796)</b>		<b>\$500,796</b>		
<b>Total Cost</b>				<b>\$6,402,461</b>	<b>\$3,002,754</b>	46.9%	<b>\$3,399,707</b>	53.1%	<b>\$1,300,000</b>		<b>\$2,099,706</b>		
<b>Annual Debt</b> 2.75% interest 38 years							\$145,329		\$55,572		\$89,757		



## *New River Valley Commerce Park Participation Committee*

6580 Valley Center Drive, Suite 124

Radford, VA 24141

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

January 20, 2010

### **Bland County**

Henry M. Blessing

### **Craig County**

\*Jay Polen

### **Giles County**

\*Chris McKlarney  
Richard McCoy

### **Montgomery County**

\*Craig Meadosw  
Brian T. Hamilton

### **Pulaski County**

\*Peter M. Huber  
Shawn Utt

### **Roanoke County**

Charlotte Moore  
\*Doug Chittum

### **City of Radford**

Bruce Brown  
\*Basil Edwards

### **City of Roanoke**

\*Brian Townsend  
Court G. Rosen

### **Town of Dublin**

William H. Parker  
\*Doug Irvin

### **Town of Pearisburg**

\*Kenneth F. Vittum  
Brad Jones

### **Town of Pulaski**

\*Morgan Welker  
John Hawley

\* denotes primary member  
of the Participation  
Committee

### Executive Committee:

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

Ms. Mary Tabor  
Stellar One Bank  
105 Arbor Drive  
Christiansburg, VA 24073

Mr. Travis Jackson  
USDA Rural Development Office  
100 USDA Drive  
Wytheville, VA 24382

Dear Ms. Tabor and Mr. Jackson:

Your assistance is requested on several boundary changes and surplus land sales of the New River Valley Commerce Park. The changes are being undertaken to expand the water and sewer utility capacity at the Park and to enhance relations with neighboring properties owned by public entities and faith based organizations. A master plan of the Commerce Park is enclosed for general reference.

Transfer of five acres pledged to the New River Valley Airport Commission is being completed. The transfer will complete a boundary adjustment that was pledged in return for a swap of five acres acquired from the Airport. The five acres acquired by the Commerce Park allowed for the optimum alignment of the Commerce Park entrance road. The deeds of trust on the Commerce Park anticipate the swap, which exempted a five acre parcel from the acreage securing the Commerce Park loans. For reference see the enclosed relevant page from the deeds of trust. The acreage to be transferred to satisfy the swap commitment is still five acres, but the location has been changed to a site more compatible with both the current Airport and Commerce Park strategic planning. Also enclosed for reference to the swap is a drawing of the location of the property to be swapped. The new location allows access to the Airport taxiway and the possibility for building improvements that will compliment both the Airport and the Commerce Park. We hope to execute the plat and complete the details for the deed for the transfer to the Airport by February 1, 2010.

A second boundary adjustment provides a buffer to the historic New Dublin Presbyterian Church and Church Cemetery. It is proposed that a buffer be placed as a covenant on any land transferred within 700 feet of the Church front door, so as to limit the allowed land uses within the 700 foot radius to those permitted by right in the Conservation (C-1) Zoning District of Pulaski County. It is also proposed that an area of land for buffer be added to the existing Church property. The land offered for the buffer will be up to 200 feet perpendicular to the existing Church lot line between an existing double wide housing unit lot and the south east corner of the Church property. The area of the land to be offered for boundary adjustment is estimated at 3 to 4 acres. Transfer of the acreage within the boundary adjustment to the Church is to be by lease

purchase over a twenty year term at 3.75% interest per annum for a value of \$4,500 per acre. I recommend the proceeds of the lease purchase of about \$100 per month be used to offset the water and sewer capacity expansion charges due from the Commerce Park to the Pulaski County Public Service Authority (PSA). We hope to complete the details for the lease purchase by March 1, 2010. Enclosed is a sketch of the proposed buffer area, including the radius of the Conservation zoning covenant area and the area to be added to the Church grounds.

The Commerce Park has also listed for sale surplus property associated with the historic Mebane house, of about 35 acres adjacent to the New Dublin Presbyterian Church site. See the enclosed real estate sale listing agreement. It is also requested that the proceeds of this surplus property sale be used to partially offset the water and sewer capacity expansion charges due from the Commerce Park to the Pulaski County Public Service Authority (PSA). The capacity charges are estimated at \$55,000 per year and will be equal to one third of the debt service that the PSA incurs to finance the three million gallons per day water and sewer capacity increase, of which one million gallons per day is to be reserved for the Commerce Park. The property listed for sale contains two manufactured homes, as well as the historic structure. Maintenance of these structures is not within the mission of the Commerce Park. Sale of this property will reduce the cost to maintain the Commerce Park site, channel sale proceeds to utility improvements that will enhance the value of the site and strengthen the creditworthiness of the outstanding loans for the Commerce Park.

Planning is underway to evaluate other Commerce Park property that may be declared surplus. The primary acreage under consideration is that south east of Rhuebush Road. The acreage is in excess of 50 acres. Other than right of way for future rail and electric transmission lines, the acreage does not compliment the Commerce Park development.

To update you on efforts underway at the Commerce Park and with Virginia's First Authority, I have enclosed the Virginia's First Annual Report for Fiscal Year 2009, which includes the Program of Work for 2009 – 2011 and the Comprehensive Annual Financial Report for Fiscal Year 2009.

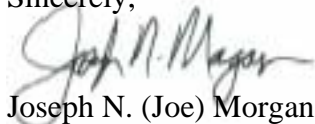
I request your concurrence with the two boundary adjustments at your earliest convenience, since we hope to complete the Airport transfer by February 1 and the Church lease purchase by March 1.

As I discussed with both of you last year, an MAI appraisal was prepared on the Commerce Park Acreage that is not surplus. Enclosed are summary pages from the appraisal. The appraisal value was \$5,200,000 or \$6,200 per acre.

I am available to discuss any details of these transfers at your convenience. You can reach my cell phone any time at 804.441.1646. I also check my voice mail in Radford is 540/639-1524, extension 218 every night. Should a meeting in person be helpful, I suggest the afternoon of Monday, February 1, or on Tuesday, February 2.

With appreciation for your assistance in supporting the Commerce Park initiative, I am

Sincerely,



Joseph N. (Joe) Morgan  
Executive Director

StellarOne Bank  
105 ARBOR DRIVE\ P O BOX 600  
CHRISTIANSBURG, VA 24068-0600  
MARY D TABOR  
(540) 381-6742

2/01/10  
DATE NOTICE MAILED

953861  
ACCOUNT NUMBER

INTEREST RATE CHANGE NOTICE

VIRGINIAS FIRST REGIONAL INDUSTRIAL  
FACILITY AUTHORITY  
6580 VALLEY CENTER DR SUITE 124  
RADFORD VA 24141

RECEIVED  
FEB 5 2010  
NRVPCG

On 2/01/10, we will \_\_\_\_\_ increase \_\_\_\_\_ decrease XX not change the interest rate on your ARM loan.

Your rate is changing because: \_\_\_\_\_ your discounted interest rate has ended and your ARM will now be tied to the index. \_\_\_\_\_ the index rate upon which your interest rate is based has changed.

	CURRENT TERMS	ADJUSTED TERMS
Index Value	3.2500%	3.2500%
Interest Rate	5.0000%	5.0000%
P&I Payment	113,980.92	113,961.89
Escrow Payment	0.00	0.00
Total Payment	113,980.92	113,961.89

The new interest rate does not reflect a change of -2.5 percentage points in the index value which was not added because of a \_\_\_\_\_ periodic XX lifetime interest rate cap limitation in your ARM loan.

As a result of this change, beginning on 2/01/11 your new full payment amount will be \$ 113,961.89. This full payment amount is sufficient to pay off your new loan balance of \$ 1,121,072.10 over the remaining term of your loan in substantially equal payments provided your interest rate does not change again.

If your loan contains a balloon balance, the balloon will be due \_\_\_\_\_ in the amount of \$ 0.00.

If you have any questions concerning your loan or this notice, please contact:

MARY D TABOR  
Tel.: (540) 382-4951



January 20, 2010

RECEIVED

JAN 21 2010

NRV FDC

Mr Joe Morgan  
Virginia's First Regional Industrial Facility Authority  
6580 Valley Center Dr  
Radford, VA 24141

Enclosed is right of way easement needed for Appalachian Power to extend an overhead power line from its pole on your property to Bobby R Coleman at 6062 Collier Street in Pulaski County. This proposed line would cross New Dublin Church Road to serve a new building on the Coleman lot.

Due to the location of poles and large trees along Collier Street and the inability to secure an easement from owner of lot number 90, I am seeking an easement from the authority.

If you are in agreement please sign the easement using black ink in the presence of a Notary and return in provided envelope. If you have any questions please call 540-994-1209, I will be glad to meet on site.

Sincerely,



Elizabeth K Whitman  
Engineering Technician



TAX ID or PARCEL NO. 036-003-0000-0005

GRW 252 - OH - VA - CORP (Tax ID) - OmniForm

**Virginia's First Regional Industrial  
Facility Authority**  
6580 Valley Center Dr Radford, VA 24141

Eas No. \_\_\_\_\_ R/W Map No. **3781-452-A**  
W.O. No. **W002021901** Job No. **10410001** Prop. No. **1**  
Line **Bobby R Coleman Sr**

THIS AGREEMENT, made this \_\_\_\_\_ day of **JANUARY**, 20 **10**,  
by and between **VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY, an authority**,  
~~a corporation~~ organized and existing under the laws of the State of **Virginia**, herein called "Grantor",  
and APPALACHIAN POWER COMPANY, a Virginia corporation, herein called "Appalachian",

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00), cash in hand paid to Grantor by Appalachian,  
the receipt whereof is hereby acknowledged, Grantor hereby grants, conveys, and warrants to Appalachian, its  
successors, assigns, lessees and tenants, a right of way and easement for an electric power line or lines, and  
communication lines, in, on, along, through, over, and across the following described lands of the Grantor situated  
in **Cloyd** District, County of **Pulaski**, State of Virginia.

Being a right of way and easement on the property of the Grantors identified as **Pulaski** County,  
Tax Parcel No. **036-003-0000-0005**

This easement extends in a **southeasterly** direction from  
Appalachian's existing **pole** numbered **452-114** to  
and including new **pole** numbered **452-**

TOGETHER with the right, privilege and authority to Appalachian, its successors, assigns, lessees and  
tenants, to construct, erect, install, place, operate, maintain, inspect, repair, renew, remove, add to the number of,  
and relocate at will, poles, with wires, cables, crossarms, guys, anchors, grounding systems and all other  
appurtenant equipment and fixtures, underground conduits, ducts, vaults, cables, wires, transformers, pedestals,  
risers, pads, fixtures, and appurtenances (hereinafter called "Appalachian's Facilities"), and string wires and  
cables, adding thereto from time to time, across, through, or over the above referred to premises; the right to cut  
down, trim, clear, and/or otherwise control, and at Appalachian's option, remove from said premises, any trees,  
shrubs, roots, brush, undergrowth, overhanging branches, buildings or other obstructions which may endanger  
the safety of, or interfere with the use of, Appalachian's Facilities; the right to disturb the surface of said premises  
and to excavate thereon; and the right of ingress and egress to and over said above referred to premises, and  
any of the adjoining lands of the Grantor at any and all times, for the purpose of exercising and enjoying the rights  
herein granted, and for doing anything necessary or useful or convenient in connection therewith.

It is understood and agreed between the parties hereto, that the Grantor reserves the right to use said lands  
in any way not inconsistent with the rights herein granted.

TO HAVE AND TO HOLD the same unto Appalachian Power Company, its successors, assigns, lessees  
and tenants.

THIS INSTRUMENT PREPARED BY AND UPON RECORDATION RETURN TO  
APPALACHIAN POWER COMPANY, P O BOX 2021, ROANOKE, VIRGINIA 24022

