



New River Valley Commerce Park Participation Committee

6580 Valley Center Drive, Suite 124

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

MEMORANDUM

DATE: May 6, 2009
TO: NRV Commerce Park Participation Committee
FROM: Dave Rundgren and Joe Morgan
SUBJECT: May 13 Meeting

A meeting of the New River Valley Commerce Park Participation Committee will be held on **Wednesday, May 13** at 4:30 p.m. at the New River Valley Competitiveness Center in Fairlawn.

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

Agenda

- 1. Roll Call and Approval of Agenda**
- 2. Approval of the April 8 meeting minutes *(attached)***
- 3. Administrative Staff Report *(attached)***
 - a) Update from Engineers on Water and Sewer Expansion**
 - b) Logistical Arrangements for Executive Director**
 - c) Roanoke Valley Economic Development Partnership Update**
 - d) Mebane House Surplus Property Listing and Buffer Status**
 - e) Pulaski County Chamber of Commerce Business Expo Presentation**
- 4. Old Business**
 - a) FY 2009-10 Budget Adoption *(attached)***
 - b) Confirmation of Unanimous Consent on Water and Sewer Extension, as within the Commerce Park Scope *(attached)***
 - c) Draft Amendment #2 – Formal Adoption of Infrastructure Enhancements within Current Commerce Park Funding and Acceptance of Real Estate Revenue Sharing Offered by Pulaski County *(attached)***
 - d) Business Plan Adoption**
 - i. Progress on Update *(attached)***
 - ii. Application for Representation to Prospects *(attached)***
 - iii. Application to Executive Committee Oversight**
 - e) Public Hearing Date for 62 Acre Surplus Property Disposition – Tuesday, July 7 Recommended**
- 5. New Business**
 - a) Marketing Staff Report**
 - b) Request for Use of Stone from Old Barn Foundation for Historic Draper Valley Presbyterian Church Expansion**
 - c) Coordination of Mowing with NRV Airport**
- 6. Closed Session (if needed)**
- 7. Other Business**
- 8. Adjournment - Next scheduled meeting: August 12, 2009**

Bland County
John C. Thompson
or
Henry M. Blessing

Craig County
Jay Polen

Giles County
Chris McKlarney, Chair

Montgomery County
Carol Edmonds

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
*One Member To Be
Designated by
Montgomery County or
Town of Dublin*

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Meeting Minutes
April 8, 2009

1. Roll Call

Chairman McKlarney opened the meeting. Roll call was taken and a quorum determined (see attached). A motion was made to add an agenda item for citizen comment.

Motion: Mr. Parker moved the committee add an agenda item for public comment to follow the roll call. Mr. Utt seconded the motion.

Action: The motion carried.

2. Public Comment Period

Janet Flory representing the New Dublin Presbyterian Church commented on the listing of the Commerce Park's surplus property adjacent to the church's property. She expressed concerns that a 700-foot buffer proposed at one time was not in place and would not be included in the conditions of the proposed sale.

Mary Katherine Stout, also with the New Dublin Presbyterian Church, spoke on the historical nature of the surrounding area and her concerns about the sale.

Mr. McKlarney thanked the speakers for their comments and directed staff to look into the matter to see what the conditions of development have been for that property and that the committee would want to honor any previous commitments made regarding future development.

3. Approval of the February 11, 2009 meeting minutes

Motion: Mr. Vittum moved approval of the February 11, 2009 meeting minutes. Mr. Huber seconded the motion.

Action: The motion carried.

4. Administrative Staff Report

a) Proposed Program of Work – 2009 to 2011

Mr. Morgan reviewed the program of work for both the New River Valley Commerce Park Participation Committee and Virginia's First. The list includes recommended actions for the upcoming year. He proposes reviews semi-annually for Virginia's First and quarterly for participation committees. Board members asked questions regarding the program of work: Ms. Edmonds asked if annual dues payments to Virginia's First will be reviewed in light of the existing account balance. Mr. Townsend asked what the proposed meeting schedule for the Commerce Park Participation Committee would be. Mr. Morgan replied that he expected the Commerce Park Participation Committee to meet at least quarterly, dependent on the experience with the Commerce Park Executive Committee to respond to matters needing attention between meetings.

b) Proposed 2009-2010 Budget

Mr. Morgan reviewed the proposed budget and stated it is related to the program of work. Review of the Commerce Park budget detail included updates: difference in the anticipated loan payments, about \$8,000; depreciation was not listed, but the committee may want to add that back; interest may be overestimated, about \$7,000; the total budget deficit is approximately \$35,000. Staffing options are listed in combinations with the PDC, Morgan, and alternate candidate Carroll staffing the authority administration. Questions were addressed to staff regarding the difference in the total contracted services versus past PDC service, actual Commerce Park balance difference between the treasurer's report and its attachment, how PDC office space was calculated for the budget, division of contracted time between Virginia's First and the Participation Committee, delaying vote until a revised budget is provided. Mr. Morgan addressed these questions and also addressed the addition of a workforce study and website enhancements in the budget.

The workforce study would include the member localities and use VEDP as a resource for a first run of the study. The study would pull from existing data to develop detail relevant to the target industries for the Commerce Park.

5. Old Business

a) Ratification of Terms of Listing of Surplus Property for Sale with Woltz and Associates

The listing agreement was provided for the committee's review. It was reported that Mr. Rundgren and Ms. Straight hosted a meeting at New Dublin Presbyterian Church for church members, neighboring property owners to the 35 acre surplus property site and Commerce Park tenants. Discussion was held on how to ratify the listing and still address the church's concerns: Mr. Morgan responded staff can notify Woltz of the concern, as well as research the issue, as instructed by Chairman McKlarney during the public comment session noted above.

Motion: Mr. Townsend moved the committee ratify the terms of listing of surplus property for sale with Woltz and Associates. Mr. Hawley seconded the motion.

Action: The motion carried.

b) Ratification of Agricultural Lease Extensions

Motion: Mr. Edwards moved the committee ratify extension of existing leases and change the term for the leases to a calendar year, making the extensions valid through December with an annual lease extension to be executed in January for a one-year term. Mr. Vittum seconded the motion.

Action: The motion carried.

c) Action Items from Proposed Program of Work

i. Acceptance of Program of Work and Quarterly Review Cycle

Motion: Mr. Huber moved the committee accept the program of work and quarterly review cycle. Mr. Townsend seconded the motion.

Action: The motion carried.

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

Motion: Ms. Edmonds moved the committee continue with Joe Morgan as Executive Director and the PDC as staff, but not hire Mr. Carroll. Mr. Parker seconded the motion.

Action: The motion carried.

iii. 2009-2010 Budget Adoption

Mr. Morgan will return a new budget at the May meeting based on discussions earlier in the meeting.

iv. Acceptance of Business Plan Proposed in 2007 with Update by June 2009

A motion for formal acceptance was not needed for adoption. Mr. McKlarney asked for any objections to direct staff to use the plan for marketing efforts and prospect proposals. No objections were expressed and further discussion would be held through e-mails if needed.

v. Support for Pulaski County PSA Water and Sewer Extension Project

Mr. Morgan asked Mr. Huber and Mr. Rundgren to update the committee on the project and if there was any support the committee could provide to keep the project moving forward. Mr. Huber stated the progress reports submitted to EDA have been approved, the A/E contract has been signed, and the grant administration contract will be presented at the Pulaski PSA meeting next Tuesday for their review and approval. The Radford water agreement is drafted and the city's counsel is making some modifications. He also indicated a separate system for storage of fire suppression water may be considered to avoid lengthy storage of potable water.

Mr. Rundgren stated the engineers are preparing the layouts needed for obtaining easements, Draper Aden has begun the final design, and the project team is holding bi-weekly meetings. Mr. David Ratcliff of the PDC staff will lead efforts to obtain easements. The RD loan application has been submitted and the PER needed for it is being completed. Mr. DiSalvo, of Draper Aden Associates, stated the schedule is aggressive and tight but this should create an opportunity for more competitive contracting bids. He also stated that if the entire design is not completed by September 18, the water tank design will be done in time to meet the EDA deadline.

Mr. Rundgren also stated staff will need authorization from the committee to proceed with the underground storage tank, (UST) removal required by EDA.

Motion: Ms. Edmonds moved the committee authorized staff to proceed with UST removal. Mr. Townsend seconded the motion.

Action: The motion carried.

vi. Acceptance of Pulaski County Real Estate Sharing

The committee asked how the offer was memorialized and heard that the offer is in the minutes and authorized by the Pulaski board of supervisors. A letter was also sent to Virginia's First from Mr. Utt.

Motion: Mr. Chittum moved the committee accept Pulaski County's real estate revenue sharing offer. Mr. Edwards seconded the motion.

Action: The motion carried.

vii. Approval of Public Hearing on Surplus 62 Acres Disposition

Mr. Morgan proposed having a public hearing during the summer and completing an MAI appraisal on the property. Staff will need to determine what easements will be needed for utilities to serve the Commerce Park and acquire an MAI appraisal for the lenders. When asked why no public hearing on the Mebane House and adjacent property too, he responded the hearing is not a legal requirement for the authority and evidently was not considered prior to the decision to determine that acreage surplus.

Motion: Mr. Huber moved the committee approve a public hearing on disposition of the surplus 62 +/- acres, which is south east of Ruebush Road, and authorize an MAI certified appraisal on the property. Mr. Vittum seconded the motion.

Action: The motion carried.

viii. Seeking VEDP Basic Marketing Assistance Prior to Selecting Consultant for Site Based Strategic Planning

In discussion of this item, a consensus was reached to direct staff to work with the VEDP.

d) Nominating Committee Report and e) Executive Committee Authorization for Six Months Trial

Mr. Hawley reported the committee contacted members about serving as officers and presented the slate for the Commerce Park Participation Committee: Chris McKlarney, chairman; Basil Edwards, Vice-chairman, and Shawn Utt, Secretary/Treasurer. He also stated the committee recommends two at-large members be appointed from other localities (Craig County, Town of Dublin, Montgomery County). Jay Polen volunteered to be nominated. A second member will be nominated after consideration among locality members. Mr. Parker agreed to serve if Montgomery County prefers not to designate an at-large member.

Motion: Ms. Edmonds moved the committee approve the slate of officers and at-large members. Mr. Huber seconded the motion.

Action: The motion carried.

6. New Business

a) Marketing Staff Report

Mr. Bopp, New River Economic Development Alliance Executive Director, was meeting with a prospect and unable to attend the meeting.

b) Pulaski County Small Business Expo Participation

Mr. Morgan stated the authority was invited to participate in the expo sponsored by the Pulaski County Chamber of Commerce, scheduled for May 14 and 15. Unless the committee expresses objections, he plans to attend. No objections were expressed.

7. Closed Session

No closed session was held.

8. Other Business

No other business was brought before the committee.

9. Adjournment

With no further business to discuss the meeting was adjourned at 6:45 pm. The next meeting is scheduled to be held on May 13, 2009.

Respectfully Submitted,

Approved by,

Joseph N. Morgan

Shawn Utt



New River Valley Commerce Park Participation Committee

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Radford, VA 24141

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MEMORANDUM

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*One Member To Be
Designated by
Montgomery County or
Town of Dublin*

DATE: May 6, 2009
TO: NRV Commerce Park Participation Committee
FROM: Joe Morgan
SUBJECT: May 13, 2009 Meeting Administrative Staff Report

Information and recommendations on the agenda items are:

Administrative Staff Report

- **Update from Engineers on Water and Sewer Expansion** – The main topic for the May meeting is an update on the engineering design and construction schedule for the \$6 million dollar expansion to provide up to 1 million gallons per day water and sewer capacity to the Commerce Park. Commerce Park participants are expected to provide \$1.2 million of the total project funding. Lead design team member, Rick DiSalvo of Draper Aden Associates has been invited to share information and action needed regarding Commerce Park engineering in general and the water / sewer extension in particular. Following the briefing on planned activities through August, the Committee will be requested to authorize the executive director, in consultation with the executive committee to take any actions that might be needed over the next three months to assist and expedite the design and construction. No construction contracts are anticipated to need award prior to August 12; however authorization of action needed within the scope of the water and sewer expansion project is recommended.
- **Logistical Arrangements for Executive Director** – Arrangements have been made with the PDC for e-mail (jmorgan@nrfdc.org), local phone and voice mail (540/639-1524). Laptop computer with exchange server access is being provided at no cost to VA 1st through Springsted, Public Sector Advisors. The need for mobile phone and e-mail access is still being evaluated, but is not anticipated to exceed \$100 per month. No fixed office space in the New River Valley is planned, but access to a work station as needed at the PDC offices or member local governments is expected.
- **Roanoke Valley Economic Development Partnership Update** – I had an opportunity to visit with Partnership Executive Director Beth Doughty in April. The Partnership does not currently list the Commerce Park as an available site for its business expansion and attraction efforts. The Partnership offered to share its data base of both site and workforce to include in the baseline of information being assembled for VA 1st. Ms. Doughty is open to providing a link to the Commerce Park on the Partnership website, once suitable updated information is available.
- **Mebane House Surplus Property Listing and Buffer Status** – As instructed at the April Committee meeting, staff is continuing to review information on both formal and informal commitments regarding surplus property development with neighboring property owners, particularly New Dublin Presbyterian Church. There is consensus that the long term development plans for the Commerce Park have intended to buffer the Church, as well as residential property on the south side of the development from commercial and industrial development within the 700+ acres planned for active development. There is not consensus that buffering from agricultural, residential, recreational or conservation uses was intended. It appears the interest has waned in the citizens advisory committee established as a forum for Commerce Park community

relations. The committee has not been active in recent years. There may be an opportunity for the advisory committee to be reconvened. Prior to listing the property, staff researched the Committee minutes since June 2008. It appears the original intention for public review prior to further subdivision or development will be satisfied by the zoning and subdivision jurisdiction of Pulaski County, utility extension permitting by the Pulaski County Public Service Authority and road extension permitting by the Virginia Department of Transportation (VDOT). Woltz and Associates, Realtors for the listing, have been notified of concerns expressed at the April 8 Committee meeting. It is expected that most potential buyers will have similar goals as the Church and other neighbors in maintaining the pastoral setting. I visited the Church property recently and have some pictures available that view the surplus property from the Church perspective.

- **Pulaski County Chamber of Commerce Business Expo Presentation** – The May 14 Expo offers an opportunity for the Commerce Park to get local business input on the best use of the site. The booth arrangement planned will allow display of pictures and current conceptual layouts of the site. For interaction, booth visitors will be invited to fill in a blank slate of what they would like to see on the 750+ developable acres. Booth visitors will also be invited to rank best uses of the property among: large acreage sites; mixed size acreage sites; advanced (high tech) manufacturing; employment intensive development; and capital intensive development.

Old Business

- **FY 2009-10 Budget Adoption** – A revised summary budget for both VA 1st and the Commerce Park, as well as a detailed Commerce Park budget is (attached). The revisions reflect the budget discussions at the April 8 Committee meeting. Adoption of the Commerce Park portion of the budget is requested.

- **Confirmation of Unanimous Consent on Water and Sewer Extension, as within the Commerce Park Scope** - The Participation Agreement for the Commerce Park adopted in 1999 requires for new components of the Park that: “Any enlargement of the scope of the Project in excess of these components shall require unanimous consent of all Participants.” Page 2 of the original Participation Agreement, with the related language is attached. The major scope increase to date has been the purchase of some 700 additional acres. Unanimous consent for that scope increase was evidenced by the additional financing for that land purchase, adopted by all member local governments.

Two current increases in scope underway are the Pulaski County Public Service Authority extension of water and sewer lines and related capacity of up to a million gallons per day and the increase in the scope of revenue sharing to include Pulaski County real estate taxes and business personal property on Commerce Park tenants.

The water and sewer capacity increase and related infrastructure extensions of an estimated \$6 million has been reviewed and approved on several occasions by the Participation Committee, including: December 12, 2007; September 10, 2008; and October 8, 2008. The real estate tax revenue sharing offer from Pulaski County was accepted on April 8, 2008.

There is no indication in the Commerce Park or VA 1st minutes of any lack of unanimous consent. Each of these three enlargements of the Commerce Park Scope is significant. Confirmation of the scope increase is recommended.

- **Draft Amendment #2 – Formal Adoption of Infrastructure Enhancements within Current Commerce Park Funding and Acceptance of Real Estate Revenue Sharing Offered by Pulaski County** – Attached is an initial draft of an Amendment #2 to the Participation Agreement for your review. Mr. Rundgren and the PDC staff drafted the amendment in 2007 and I have updated it for your consideration. To put the above described expansion of scope in a permanent record, I recommend the amendment be approved in concept, further edited by legal counsel and the executive committee and presented for approval by VA 1st at its July 8, 2008 meeting and subsequently submitted for adoption by the member governments.

- **Business Plan Adoption-** For guidance in responding to prospect inquiries, the draft business plan provides a good framework.
 - **Progress on Update - Attached** is an edit of the business plan summary to reflect current status.
 - **Application for Representation to Prospects** – For discussion purposes, attached is an example of application of the business plan incentive calculator to a recent prospect. The plan indicated the prospective business might yield \$4 million new tax revenue in its initial seven years. The recommendation was to allocate \$3 million of the new taxes toward location incentives.
 - **Application to Executive Committee Oversight** – For occasions where initial incentive responses are required, use of the incentive approach in the plan is recommended, subjective to notice to all members of the Participation Committee and concurrence by the Executive Committee.
- **Public Hearing Date for 62 Acre Surplus Property Disposition – Tuesday, July 7**
Recommended – Scheduling the hearing in the Dublin area, possibly at Dublin Middle School or Dublin Town Hall is suggested. It is likely the hearing would also receive comment on the Mebane House surplus property sale. The hearing can be conducted by staff, with Participation Committee members attending as it suits individual schedules. A report on the hearing can be presented at the August 12 Committee meeting.

New Business

- **Marketing Staff Report** – Alliance Executive Director Bopp may have updates.
- **Request for Use of Stone from Old Barn Foundation for Historic Draper Valley Presbyterian Church Expansion** – Mr. Joe Meek, representing Draper Valley Presbyterian Church, has requested stone from a Commerce Park barn foundation for use in an expansion of the Church building. Mr. Meek is an agricultural sub-lessee of the Commerce Park. The barn foundation was the source of the stone for the Commerce Park signs' foundations. Reuse of the stone from the former Evans-Collins farm to the Draper Valley Presbyterian Church would be transfer of a historic resource within Pulaski County. It is recommended the stone be made available to the Church, subject to removal of the foundation enhancing the future grading and / or agricultural lease acreage of the Commerce Park. Mr. Meek carries liability insurance that would cover the removal activity.
- **Coordination of Mowing with NRV Airport** – Authorization to develop a trade of equipment for mowing services with the airport management is requested.

**New River Valley Commerce Park
Draft Proposed Budget
July 2009 - June 2010**

		FY 2010 Proposed
Contracted Administration:		\$43,360
Administration Expenses		\$6,035
Project Development		
	Strategic Site Development and Marketing	\$35,000
	Utility Extension - \$70,000 per year starting 2011	
Professional Services		\$4,600
Site Manintenance		\$17,836
Capital Outlay		\$0
Total Debt Service		<u>\$356,525</u>
	Total Expenses	<u>\$463,356</u>
Participant Shares		
	Bland County	\$5,900
	Craig County	\$5,844
	Giles County	\$55,851
	Montgomery County	\$55,851
	Pulaski County	\$180,172
	Roanoke County	\$29,255
	City of Radford	\$23,258
	City of Roanoke	\$27,500
	Town of Dublin	\$2,968
	Town of Pearisburg	\$5,900
	Town of Pulaski	\$20,001
Subtotal Shares		<u>\$412,500</u>
Interest (Estimated)		\$5,000
Land and Building Leases		\$13,795
Total Estimated Income		<u>\$431,295</u>
	Transfer from fund balance or VA 1st Grant	\$35,000
	Balance -deficit	<u>\$2,939</u>
Virginia's	First Regional Industrial Facility Authority Proposed Budget July 2009 - June 20010	FY 2010 Proposed
Contracted Personnel:		\$17,326
Administration Expenses		\$2,676
Project Development		
	Workforce Identification for Advance Manufacturing	\$35,000
	Website Enhancement	\$18,898
Professional Services		\$6,100
Total Expense		<u>\$80,000</u>
Anticipated Income		
	Member Dues @ \$5,000	\$75,000
	Interest	<u>\$5,000</u>
Total Income		<u>\$80,000</u>
Balance -deficit		<u>\$0</u>

New River Valley Commerce Park
Draft Proposed Budget
July 2009 - June 2010

	FY2008 Actual	FY2008- 09 Budget	FY 2010 Proposed	FY 2010 Proposed Categories
Contracted Administration:				\$43,360
PDC Personnel	\$37,504	\$34,545	\$22,960	
Contracted Management			\$18,000	
Contracted Site Coordination				
Transportation		\$850		
Travel / Per Diem			\$2,400	
Administration Expenses				\$6,035
Office Space		\$2,640	\$3,683	
Telephone		\$100	\$1,200	
Office Supplies		\$800	\$400	
Postage		\$450	\$352	
Printing		\$400	\$400	
Copies		\$1,000		
Media Adv.		\$2,000	\$0	
Project Development		\$0		\$35,000
Strategic Site Development and Marketing			\$35,000	
Utility Extension - \$70,000 per year starting 2011				
Professional Services				\$4,600
Legal	\$1,450	\$2,000	\$2,000	
Audit Fee	\$1,600	\$1,600	\$1,600	
Engineering				
Other Professional Fees	\$32,823		\$1,000	
Site Maintenance				\$17,836
Miscellaneous	\$509		\$2,936	
Equip Rental		\$0		
Equip Maint.		\$1,078	\$1,000	
Materials/supplies		\$700	\$1,000	
Insurance	\$4,001	\$4,300	\$4,300	
Utilities			\$600	
Environmental (Well Monitoring, etc.)			\$8,000	
Equipment Depreciation	\$4,335	\$4,330		
Capital Outlay		\$0		\$0
Contractual Service				
Contractual Service		\$40,000		
Recruitment	\$26,300	\$0		
	\$82,222	\$96,793	\$106,831	
Debt Service:				\$356,525
Revenue Bond 40 Yr	\$119,448		\$119,448	
Revenue Bond 40 Yr	\$123,096		\$123,096	
Bank Loan 20 Yr	\$111,009		\$113,981	
	\$353,553	\$339,660	\$356,525	
Total Expenses	\$462,075	\$436,453	\$463,356	\$463,356
	FY2008 Actual	FY2008-09 Budget	FY 2010 Proposed	FY 2010 Proposed Categories
Participant Shares				
Bland County	\$5,900	\$5,900	\$5,900	
Craig County	\$5,844	\$5,844	\$5,844	
Giles County	\$55,851	\$55,851	\$55,851	
Montgomery County	\$55,851	\$55,851	\$55,851	
Pulaski County	\$180,172	\$180,172	\$180,172	
Roanoke County	\$29,255	\$29,255	\$29,255	
City of Radford	\$23,258	\$23,258	\$23,258	
City of Roanoke	\$27,500	\$27,500	\$27,500	
Town of Dublin	\$2,968	\$2,968	\$2,968	
Town of Pearisburg	\$5,900	\$5,900	\$5,900	
Town of Pulaski	\$20,001	\$20,001	\$20,001	
Subtotal Shares	\$412,500	\$412,500	\$412,500	\$412,500
Interest (Estimated)	\$17,862	\$12,000	\$5,000	\$5,000
Land and Building Leases	\$11,401	\$11,953	\$13,795	\$13,795
Total Estimated Income	\$441,763	\$436,453	\$431,295	\$431,295
Transfer from fund balance		\$0.00	\$35,000.00	\$35,000
Balance -deficit	-\$20,312	\$0	\$2,939	\$2,939

I

PROJECT DESCRIPTION

The New River Valley Commerce Park, Initial Phase ("Project") may, subject to funding, include the following items:

- acquisition of 326 acres of land located in Pulaski County, Virginia (the "host locality") near or adjoining the New River Valley Airport;
- acquisition of easements for access, water supply, waste water disposal for the Project;
- continuation of options for approximately 739 acres of land adjoining the Project for a period of five additional years;
- construction of 1 mile of four lane divided access road to the Project site from the existing public road;
- site grading of at least 40 acres of land to demonstrate the construction of an industrial pad up to 150 acres in size and a demonstration of the construction of an additional pad of up to 200 acres;
- detailed engineering plans for the provision of up to 6 million gallons of water supply and waste water disposal per day for the Commerce Park.

Any enlargement of the scope of the Project in excess of these components shall require unanimous consent of all Participants.

II

PROJECT UNDERTAKEN IN THE NAME OF THE AUTHORITY

The development of the Project shall be undertaken in the name of the Authority and, subject to the terms of this Agreement, the Authority, shall own, hold, lease, use, sell, encumber, transfer, and dispose of any real or personal property comprising part or all of the Project, provided, however, that the Authority is hereafter required to take all actions related to the Project as directed by the

AMENDMENT TO NEW RIVER VALLEY COMMERCE PARK PROJECT
PARTICIPATION AGREEMENT
AMENDMENT #2

THIS AMENDMENT TO PARTICIPATION AGREEMENT (the "Amendment to Participation Agreement") is dated this the__ day of ___, 2009 between and among Virginia's First Regional Industrial Facility Authority and the Participants (defined below).

WITNESSETH:

WHEREAS, the undersigned governing bodies are each Member Localities of Virginia's First Regional Industrial Facility Authority (the "Authority"), a body incorporated, organized and created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia (the "Act"); and

WHEREAS, pursuant to the authority granted under the Act to enter into agreements for development of regional economic development projects, the Authority and the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the City of Roanoke, Virginia, the Town of Dublin, Virginia, the Town of Pearisburg, Virginia and the Town of Pulaski, Virginia each entered in the New River Valley Commerce Park Project Participation Agreement . Initial Phase dated October 14, 1999 and amended August 8, 2001 (the "Participation Agreement") for the development of the Commerce Park Project (defined below); and,

WHEREAS, the Authority and the Participants wish to modify the Participation Agreement in reflection of current market conditions and a revised business plan.

WHEREAS, the Authority and the Participants desire to proceed with the development of the New River Valley Commerce Park as allowed by law and in accordance with the current Business Plan for the Commerce Park, which includes allowance of property development of lots less than 70-acres, continued infrastructure development and planning to support targeted industries, and seeking of potential industries based on total investment that seeks to maximize the Participants return on investment regardless of Lot size.

NOW THEREFORE, the Authority and the Participants agree and consent as follows:

1. That the Participation Agreement is amended in accordance with this Amendment to the Participation Agreement, and except as amended herein, the Agreement is confirmed, reiterated and ratified.
2. Location Criteria: The Participants agree to maximize industrial development at the Commerce Park, in accordance with local zoning regulations, permitting various lot sizes and layouts for industrial targets with an investment criterion necessary in order to maximize the Participants return on investment.
3. Amend Section IX, Financing Plan: The Participants shall incur no additional costs, beyond the annual dues and share payments, without exercising a new Agreement. Any costs associated with infrastructure development shall covered for at least a period of 10-years directly through or a combination of alternative financing, including grants, loans, sale of surplus property or money already set aside for the Authority's use.

4. Amend Section XII, Revenue Sharing: The Participants an offer from Pulaski County for the sharing of additional tax revenue, not just machinery and tools, from development at the Park. [See Attached]
5. Property Limits: The Commerce Park Project Scope include all acreage currently owned by the Authority, acreage to be exchanged with New River Valley Airport, and exclude acreage now or in the future deemed surplus south east of Rhuebush Road and surrounding and in the proximity of the former Mebane house, as noted in a preliminary subdivision plat dated April 2009.
6. If any provision of this Amendment to Participation Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

IN WITNESS WHEREOF, the Governing Bodies identified, by authorized action, have caused this Amendment to be executed, and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing this____day, of_, 2009.

Attachment 1

Proposal for shared tax revenues between Pulaski County and Virginia's First for the Commerce Park property

NOTE: This proposal does not include the Machinery & Tools tax, which is 100% shared n perpetuity.

This proposal only includes the following taxes: Business Personal Property and Real Estate

Sharing of tax revenues using the following table:

Year	Percentage of taxes shared
1-7 (incentive period)	100% toward incentives
8-9	100% shared
10-11	75% shared
12-13	50% shared
14-15	25% shared

- September 10, 2008- According to the Attendance roster Bland County was not present.
- October 8, 2008- According to the Attendance roster Bland County was not present.

There is no recorded vote of the Participation Committee to approve the increase in scope or the use of Authority funds to finance the increased scope. In addition, there could be no unanimous consent given at these meetings since 100% of the membership was not present at any of these meetings.

REQUIRED ACTION

The following matters need to be addressed to satisfaction of the County before the Board of Supervisors can be advised to vote for an amendment to the Commerce Park Participation Agreement:

1. A unanimous vote of 100% of Va. First membership agreeing to pledge the Authority's @\$700,000 to the Participation Committee's project.
2. The amendment should include the expansion of scope to cover the purchase of the additional 700 acres.
3. Agreements need to be drafted and approved between the Participation Committee, Pulaski County PSA and Pulaski County (if required) concerning the responsibilities under the EDA grant and the expansion of the water and sewer. Specifically, the Participation Committee needs to protect its interest in the proposed water and sewer improvements through an Agreement with the Pulaski County PSA.
4. An agreement needs to be approved with the City of Radford confirming a water source for the proposed water line to the Commerce Park.
5. The proposed Amendment to the Participation Agreement needs substantive changes before it is ready for circulation and approval by the participating localities. The Participating localities need to approve the amendment and then it would be voted on by the Participation Committee.

Introduction

Background

The New River Valley Commerce Park is a 1,000 acre industrial facility located in Dublin, Virginia, approximately 3.6 miles from Interstate 81. The facility is owned by 11 participating jurisdictions structured under Virginia's First Regional Industrial Facility Authority (VFRIFA). Figure 1 illustrates the land acquired for the Park, and the improvements made, including construction of 2-miles of industrial access road. Pulaski County PSA currently serves some 100,000 gallons of water to the Park and a sewer pump station is located on the park for wastewater. Electrical service is provided by AEP. Current service readily available is 5,000 kW, with 15,000 kW available in 6 to 9 months. Transmission line extension to 138 kV is available in 18 to 24 months. Electrical upgrade to natural gas is provided by Atmos.

The site has several unique characteristics that makes it an ideal industrial facility, including being adjacent to an international airport, designated a port of entry, having FTZ status, the relative size of the contiguous property available, and buffering already in place.

NRV Commerce Park Assets and Accomplishments

- ✓ New River Valley Airport
- ✓ Full time customs and port of entry available at airport.
- ✓ Designated Foreign Trade Zone (FTZ).
- ✓ Acquisition of roughly 1,000 acres of land originally envisioned for Park
- ✓ Graded 40-acre pad
- ✓ On-site water and sewer available.
- ✓ Electric and natural gas options are ready.
- ✓ Industrial access road constructed.
- ✓ Flexible zoning
- ✓ Completion of necessary engineering and reporting, including Geotechnical and Environmental Assessment.
- ✓ Virtual building, 370,000 square feet, expandable to 761,000 square feet.
- ✓ Ongoing marketing and prospect visits.

Utility Plans

The Commerce Park Participation Committee has prepared plans to provide up to 6 MGD of water and sewer to the Park. A \$6 million extension from the City of Radford is currently under design, with construction planned to be complete in 2011. In addressing the utility needs of the park, the Committee has begun to evaluate its assets to determine what property could be disposed of in order to finance further development. This surplus property is discussed in greater detail in this report.

Site Development

This plan has been developed to evaluate the Park and to determine a "least cost" development plan. The Plan evaluates providing utility services and optimizes the site development configuration that can be provided by those utilities. In doing so, the development of target investments, industries and a marketing strategy, combined with a shared tax structure is established to optimize the rate of return for the investors. The overall goal of this plan and working with the participants is to "provide together what we can not otherwise provide" for the region.

Changing Economic Condition

In development of this plan, it became apparent that the economic condition has changed dramatically since the Park was originally envisioned. Today, smaller sized, more technology driven industries are able to yield high project returns. However, such high-tech companies also have a greater demand for electricity. It is also imperative in working with these industries that the site be ready for construction or that a timeline be provided of what infrastructure can be provided and when.

Committee Provided Incentives

In preparation of this plan, committee provided incentives were evaluated. These incentives would be what the Committee could provide to an industry and would be in addition to any other regional or state incentives. The incentives discussed in this plan offer a baseline of what could be offered, however they are not the final incentive package which would require Committee approval. In developing the minimum investment needs, it was assumed that a base incentive package that could be offered would include the land and development needs which the Committee can finance over a 7-year period. These numbers are provided as an example to work from in order to develop a final incentive package for a specific industry and its investment.

Revenue Sharing

Members of the New River Valley Commerce Park Participation Committee share the revenue from the Machinery and Tools tax of industries that locate at the Park in perpetuity. In addition, VFRIFA and the host community have agreed to share all other taxes for an industry seven years, with a declining share approach through fifteen years. See Attachment 6 describing the shared tax structure.

Updated Business Plan

This Business Plan recognizes the limited financial resources available to the Committee, and attempts to best utilize available and future funding to provide a marketable development strategy for the Park. In developing this plan, the Participation Committee established the following guidelines to be used:

- 1 million gallons per day of water capacity
- 1 million gallons per day of sewer capacity
- Maximize amount of land that is “ready to build”
- Develop a market-based industry focus
- Formation of a prospect team
- Develop clear and specific incentive policies
- Market flexible sites without competing with other facilities in the region
- Maximize tax revenue sharing
- Develop a detailed business plan addressing; target industries, marketing strategies, utility and infrastructure development, areas available for development, tax structure, and incentives.
- Evaluate assets to determine if they can be converted into cash
- Require NO ADDITIONAL FUNDING by localities

Figure 1: NRV Commerce Park I and

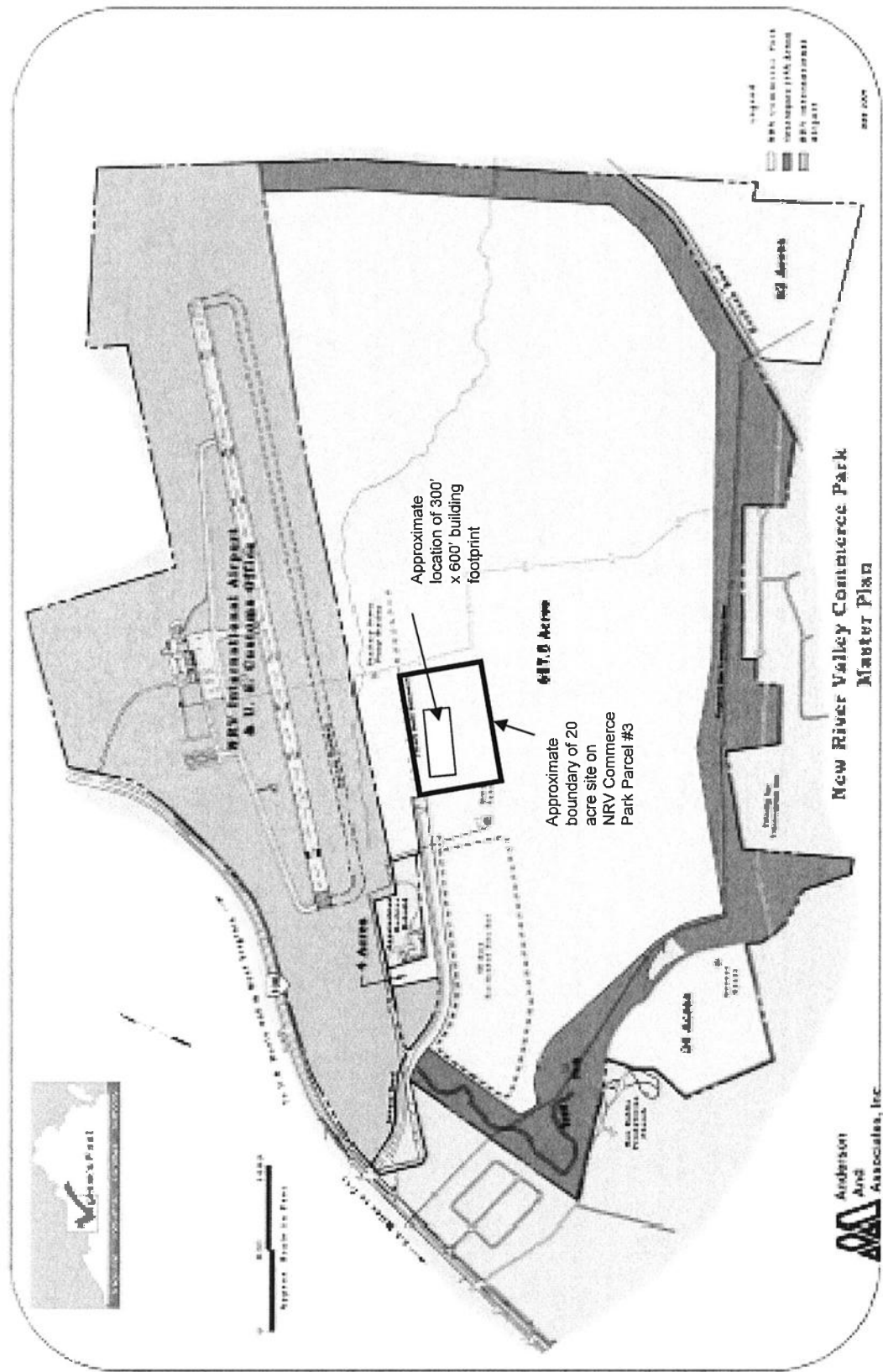
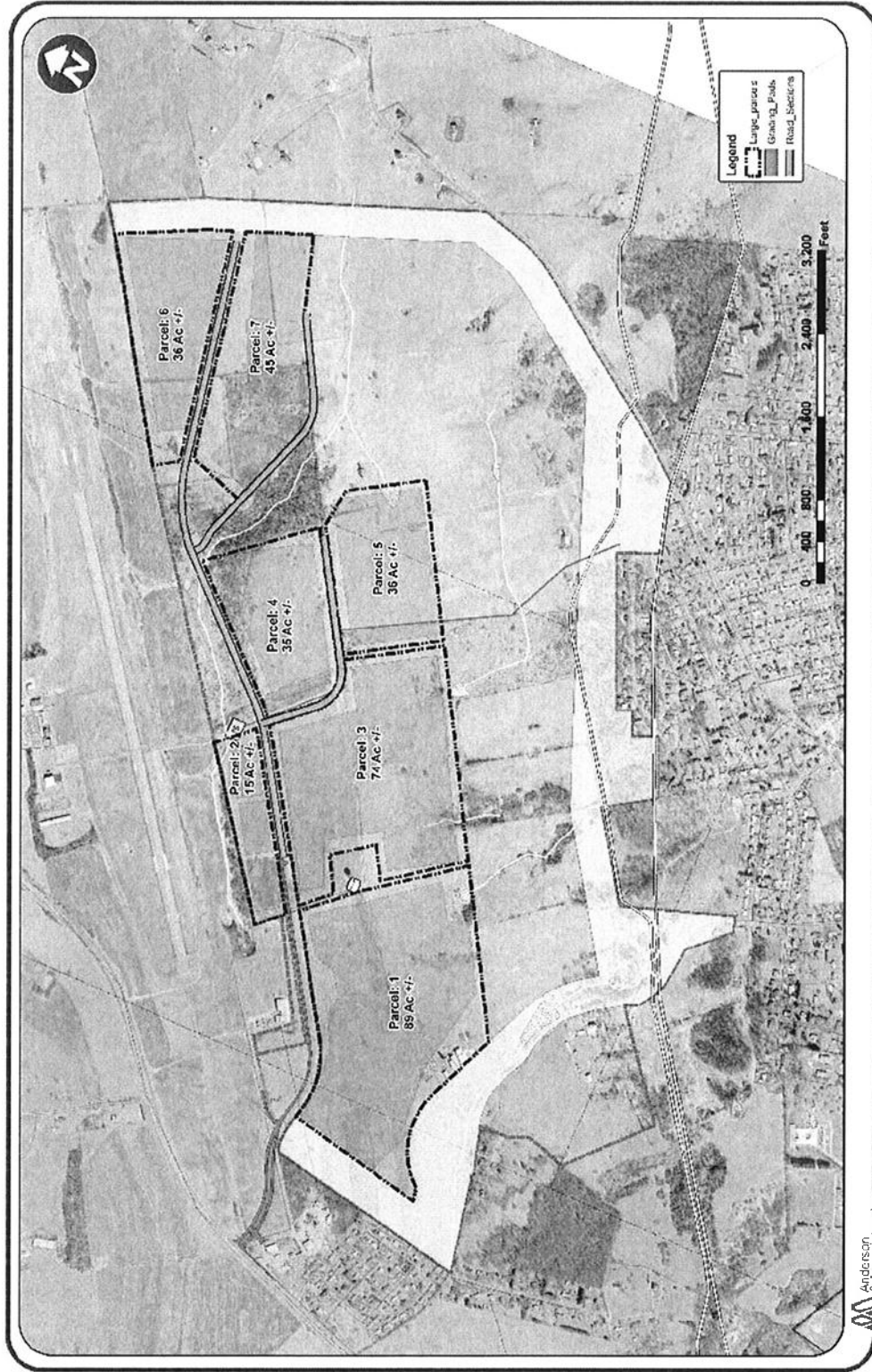


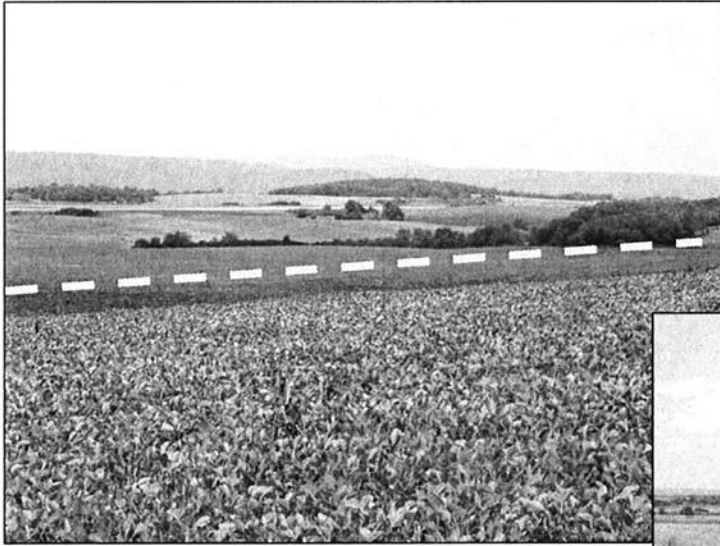
Figure 2: Commerce Park Lots



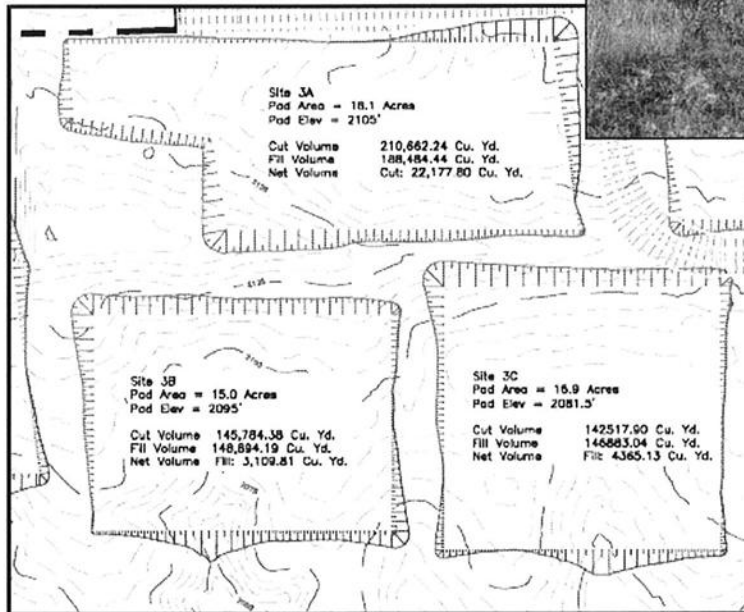
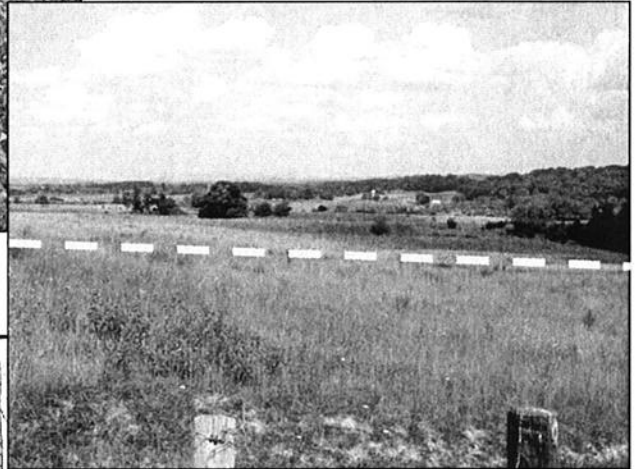
Commerce Park Lots Parcel 3

Physical description:

- Located near end of access road in vicinity of the existing water tower
- 74 acres parcel
- Roughly 2-acres pre-graded
- Excellent location for a campus like environment for a like industries cluster
- Can be sub dividable into 3 pads of 18, 15, and 17 acres each.



Pictured left: the eastern portion of Parcel 3, a potential 18 acre pad. Pictured below: the southern most area of Parcel 3, which could include a 15 and 17 acre pad. The subdivision of Parcel 3 is included in the sketch below.



COMMERCE PARK INCENTIVE AND REVENUE CALCULATOR

Project Costs



Total Acres	Development Costs	Other Costs	Total Cost:
15			
\$112,500	\$462,903	\$0	\$575,403
Amount of Cash Up Front			
		\$0	
Amount to finance		\$575,403	
Number of years? (incentive period)		7	



Land	\$	613,000
Site Preparation	\$	500,000
Facility and Improveme	\$	18,839,000
Machines and Equipme	\$	71,402,000
Furniture and Fixtures	\$	400,000
Tooling and Molds	\$	2,237,000
Information Technolog	\$	600,000
Total	\$	94,591,000
Contingency	\$	9,327,000
Total CAPEX	\$	103,918,000

Break Even Point

Annual Loan Payment	\$102,533.00
*see next sheet for assumptions and loan rate	
Total	\$102,533.00 per year
	\$15,303,432.88
Minimum Investment Needed	\$15,303,432.88
*based on average of Real Estate and Machine and Tools Tax (\$0.67 per \$100 average), does not include incentive	

Return On Investment

	Machine and Tools	Real Estate	Total
Project Investment	\$71,402,000	\$18,951,500	\$90,353,500
Amount Above Min. Investment			75,050,067

10

Return From Taxes	Machine and Tools	Real Estate	Total	Continuing Share Costs *your annual shares	Excess Funds
Years 1-7 *see note	\$3,598,661	\$610,238	\$4,208,899	\$2,887,500	1,321,399.10
Year 8	\$514,094	\$87,177	\$601,271	\$412,500	188,771.30
Year 9	\$514,094	\$87,177	\$601,271	\$412,500	188,771.30
Year 10	\$514,094	\$65,383	\$579,477	\$412,500	166,977.08
Year 11	\$514,094	\$65,383	\$579,477	\$412,500	166,977.08
Year 12	\$514,094	\$43,588	\$557,683	\$412,500	145,182.85
Year 13	\$514,094	\$43,588	\$557,683	\$412,500	145,182.85
Year 14	\$514,094	\$21,794	\$535,889	\$412,500	123,388.63
Year 15	\$514,094	\$21,794	\$535,889	\$412,500	123,388.63
Total Return	\$29,303,381	\$4,707,553	\$34,010,933	\$6,187,500	27,823,433.40
Continuing Return To Investors	\$514,094	\$0.00	\$514,094.40	\$412,500	101,594.40



LOCALITY RETURN CALCULATOR		
Income Amount	52,500	
Percentage to Return to Investors		100%
5% to Host Locality	\$2,625	
1% to VFRIFA	\$525	
Bland County		\$705.88
Craig County		\$699.13
Giles County		\$6,681.86
Montgomery County		\$6,681.86
Pulaski County		\$21,555.03
Roanoke County		\$3,500.00
City of Radford		\$2,782.50
City of Roanoke		\$3,290.00
Town of Dublin		\$355.06
Town of Pearisburg		\$705.88
Town of Pulaski		\$2,392.82

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

April 8, 2009
New River Valley Competitiveness Center
Radford, VA

Jurisdiction	Member	Alternate
Bland County	() John C. Thompson () Henry M. Blessing	
Craig County	(x) Jay Polen	
Giles County	(x) Chris McKlarney	() Richard McCoy
Montgomery	(x) Carol Edmonds	() Mary Biggs
Pulaski County	(x) 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: Rick DiSalvo, Theron Barrineau, Janet Flory, Mary Katherine Stout, John White, Jeff Worrell, Randy Wingfield

Staff Present: Joe Morgan, Dave Rundgren, Christy Straight

**COMMERCE PARK PARTICIPATION AGREEMENT AMENDMENT
MAY 12, 2009**

**ISSUE: REQUEST TO AMEND THE NEW RIVER VALLEY COMMERCE PARK PROJECT
PARTICIPATION AGREEMENT BY EXPANDING THE SCOPE OF THE COMMERCE PARK
PROJECT AND HOW THE EXPANSION IN SCOPE IS FUNDED.**

DISCUSSION:

It has been proposed that the Participation Committee and the local governing bodies represented on the Participation Committee agree to amend the Commerce Park Participation Agreement (which requires unanimous consent by all Participating Members) by enlarging the scope of the Commerce Park Project and a revised financing plan. The purchase of 700 additional acres for the Park occurred outside of the scope of the existing Participation Agreement, as amended. The scope is proposed to be amended by the extension of water and sewer lines and related capacity of up to 1 million gallons per day by participating with the Pulaski County Public Service Authority in the construction of an estimated \$6 million in water and sewer infrastructure.

The proposed funding amendment to pay for the water and sewer expansion is for the Participation Committee to participate with the Pulaski County Public Service Authority in an EDA Grant in the amount of \$3.1 million with a local match of \$3.3 Million. It is proposed that the Authority pledge approximately \$700,000 it has amassed from charging all the Authority members the \$5,000 annual dues intended to cover general expenses of the Authority. It has been Montgomery County's position since December 2007 that these funds cannot be pledged by the Authority to the Participation Committee without unanimous approval of the entire Authority. To date there is no recorded vote of the entire Authority granting the required unanimous consent to pledge the \$700,000 to the Participation Committee to assist in the funding of this increase in scope.

It has been suggested that unanimous consent for the expansion of the scope and use of the Va.'s First funds were obtained from the Participation Committee on the following dates:

- December 12, 2007- According to the Attendance roster the following Participation Committee members were not present: Bland County, Roanoke County, City of Roanoke, and the Town of Pearisburg.

- September 10, 2008- According to the Attendance roster Bland County was not present.
- October 8, 2008- According to the Attendance roster Bland County was not present.

There is no recorded vote of the Participation Committee to approve the increase in scope or the use of Authority funds to finance the increased scope. In addition, there could be no unanimous consent given at these meetings since 100% of the membership was not present at any of these meetings.

REQUIRED ACTION

The following matters need to be addressed to satisfaction of the County before the Board of Supervisors can be advised to vote for an amendment to the Commerce Park Participation Agreement:

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4. An agreement needs to be approved with the City of Radford confirming a water source for the proposed water line to the Commerce Park.
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Outline information

Commerce Park

May 13, 2009

I. Background and Goals:

- A. Full Authorization for design activities formally received about 5 weeks ago, April 4th.
- B. Semi-monthly meeting with the key design team members, PDC and PSA representatives
- C. Provide 1 MGD of utility service (potable water and wastewater), using the City of Radford for the water source
- D. Provide 3500 GPM fire flow capability
- E. Provide onsite water distribution and ww collection to the parcels that drain by gravity to the existing sewage pump station
- F. Economic Development Administration Grant requirement to begin “some” construction within a year of the grant award (Sept 18, 2008) and funds expire within 5 years from the fiscal year of the grant award (Sept 30, 2013)
- G. Other Critical Dates:
 - Construction Documents to EDA: 7/8
 - Advertisement of at least one contract: 7/22
 - Bid Opening: 8/24
 - Commence Construction: 9/18

II. Likely Construction Contracts

- 1 MG ground level storage tank (30% complete)
- Forcemain (15%)
- Onsite Water Distribution and Sewage Collection (15%)
- 24” Water Line (70%)
- 12” Water Line (20%)
- Water Pump Stations and Control Vault (35%)

III. Progress to Date

A. Draper Aden:

- Base mapping being generated,
- Geotechnical investigation of the tank site,
- Water PER prepared and under review at VDH and RD,
- Preliminary Storage Tank and pump station design,
- initial electrical and controls engineering,
- Preliminary layout of the Radford Pump Station

- Refined the route of the 24" water line,
 - Joint Permit for the river crossing.
- B. Anderson:
- Wastewater PER prepared and submitted to DEQ and RD,
 - Preliminary layout of utilities on-site,
 - On-site easement preparation,
 - Preliminary forcemain routing.
 - Easement plats for the 24" Water Line Completed and provided to PDC
- C. PDC:
- Easement negotiations,
 - Environmental reviews commencing,
 - Smooth Cone Flower
 - Fringe Mountain Snail
 - Archeological Investigation
 - Bird Species Habitat Assessment

IV. Other Issues

- A. Sewage pump station – reallocating existing flow agreements (Engr Recommendations to PCPSA to avoid upgrades)
- B. Easement Negotiations
- C. River Crossing resistivity analysis
- D. Siting of the Nanotechnology Bldg (Developer to be responsible for existing forcemain relocation)
- E. Environment survey impacts
- F. Issuance of the Joint Permit for the river crossing
- G. Utility Plan approval from regulatory agencies
- H. Norfolk Sothern Railroad permit approval

V. Committee Action Required

- A. Authorize Joe Morgan to execute easements and land acquisition plats, and
- B. Make decisions relative to cost or schedule modifications