

NOTE MEETING PLACE -NEW RIVER VALLEY AIRPORT TERMINAL
A Tour of the Red Sun Farms Site Will Be Available from 11:00 AM to 11:45 AM



Virginia's First Regional Industrial Facility Authority

Bland County

Lace M. (Nick) Asbury, IV
Henry M. Blessing

Craig County

Jay Polen

Giles County

Chris McKlarney
Richard McCoy

Montgomery County

Mary W. Biggs, *Chair*
Craig Meadows

Pulaski County

Andy McCready
Daniel Wilson

Roanoke County

Charlotte Moore
Jill Loope

Wythe County

Joe Hale
Coy McRoberts

City of Radford

Tim Cox
Basil Edwards

City of Roanoke

Brian Townsend
Executive Committee
Bill Bestpitch

Town of Christiansburg

Randy Wingfield
Barry D. Helms,
Secretary/Treasurer

Town of Dublin

Doug Irvin
William H. Parker

Town of Pearisburg

Kenneth F. Vittum,
Vice-Chair
Rick Tawney

Town of Pulaski

Joseph Goodman
Shawn Utt

TO: Virginia's First Regional Industrial Facility Authority Board Members

FROM: Joe Morgan, Executive Director

SUBJECT: Meeting to be held on Wednesday, April 9 at Noon

A meeting of the Virginia's First Regional Industrial Facility Authority Board of Directors will be held on **Wednesday, April 9 immediately following the Commerce Park**

Participation Committee Meeting beginning at Noon. The meeting will be held at the **New River Valley Airport Terminal, 5391 C. V. Jackson Road, Dublin VA 24084.**

Lunch will be provided.

You are invited to tour the Red Sun Farms site between 11:00 AM and 11:45 AM prior to the meeting.

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

- 1) Roll Call and Agenda Approval
- 2) Public Comments
- 3) Approval of Minutes: November 13, 2013 Meeting
- 4) Financial Report for Second Quarter Fiscal Year 2013-2014
- 5) Administrative Staff Report
 - a) FY 15 Insurance Renewal
 - b) FY 13 Audit Recommendation to Engage Consultant for Financial Reports for Audit
- 6) Old Business
 - a) Reorganization for Commerce Park Only Focus – Options from Attorney Theresa Fontana
 - b) Administrative Staffing Approaches
 - i) Proposal from NRV Economic Development Alliance
 - ii) Proposal from NRV Planning District
 - iii) Schedule for Completion of Services of Current Executive Director
 - c) Budget Proposal for Fiscal Year 2013-2014
 - d) Completion of Support Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County
 - e) Other Old Business
- 7) New Business
 - a) Approval of Requests from Commerce Park Participation Committee from Preceding Meeting
 - b) Other New Business
- 8) Closed Session (if needed)
- 9) Other Business
- 10) Adjournment - Next scheduled full VFRIFA meeting: Wednesdays, August 13, 2014



Bland County
Lace M. (Nick) Asbury, IV
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Virginia's First Regional Industrial Facility Authority

TO: Virginia's First Regional Industrial Facility Authority Board Members
FROM: Joe Morgan, Executive Director
SUBJECT: Meeting to be held on Wednesday, April 9 at Noon

A meeting of the Virginia's First Regional Industrial Facility Authority Board of Directors will be held on **Wednesday, April 9 immediately following the Commerce Park Participation Committee Meeting beginning at Noon.** The meeting will be held at the **New River Valley Airport Terminal, 5391 C. V.**

Jackson Road, Dublin VA 24084. Lunch will be provided.

You are invited to tour the Red Sun Farms site between 11:00 AM and 11:45 AM prior to the meeting. **Tours will begin from the airport parking lot at 11:00 AM.** Please mark your calendar and contact us on your plans for attendance.

ALL AGENDA MATERIALS AND ENCLOSURES ARE AVAILABLE ON-LINE AT nrvpdc.org , UNDER Economic Development / Virginia First (See <http://www.nrvpdc.org/vafirst.html>)AND ON dropbox.com . YOU WILL RECEIVE AN ADDITIONAL EMAIL INVITING YOU TO SHARE THE dropbox.com FILES.

- 1) **Roll Call and Agenda Approval** – A quorum of one representative from seven of the thirteen member governments is required.
- 2) **Public Comments** - The only public comment I am aware of may come from citizens Debbie Mohay and Carl Lambert, as reported to me by Ms. Brenda Blackburn. I offered to answer questions of Ms. Mohay and Mr. Lambert about VFRIFA and the Commerce Park, but have not yet heard from them. While citizen comments are always welcome, if citizens' questions are general rather than related to a current agenda item, it may be appropriate to refer the questions to staff to respond at a mutually convenient time. I recommend limiting a citizen's comments to three minutes.
- 3) **Approval of Minutes: November 13, 2013 Meeting** – Draft minutes were sent previously.
- 4) **Financial Report for Third Quarter Fiscal Year 2013-2014** – See enclosed (on pp 4 - 8).
- 5) **Administrative Staff Report**
 - a) **FY 15 Insurance Renewal** – *Renewal with VACORP is recommended.* An application has been submitted and the renewal can be confirmed at the August VFRIFA Annual Meeting.
 - b) **FY 13 Audit Recommendation to Engage Consultant for Financial Reports for Audit** – The Authority should consider centralization of records with the Authority related debt documentation for the Pulaski County IDA. It should also consider engaging financial accounting consultants for preparing records for audit. See enclosed (on pp 9 - 10) auditor's recommendations and management response. *Adoption of the recommendations should be considered with the engagement of new management services.*

6) Old Business

- a) **Reorganization for Commerce Park Only Focus – Options from Attorney Theresa Fontana – See enclosed (on pp 11 - 16)** analysis from Ms. Fontana. She plans to attend the April 9 meetings to respond to any questions and receive any requests for further work on a Commerce Park only focus. A related matter is how to structure VFRIFA current \$5,000 annual dues and Commerce Park original issue share \$2.75 per share annual investment. Enclosed is a table that compares issuance of 1,818 shares per Commerce Park member government and replacing the \$55,000 raised annually by VFRIFA dues from the eleven member governments with an added investment based on percentage of original issuance shares. Such changes may be helpful with a Commerce Park only focus. I recommend that any difference in payment of annual operating expenses for shares awarded at \$40 per share lump sum cash or \$2.75 per share financed be ended in 2039, when the \$5 million refinanced in 2013 is retired. Non-Commerce Park members, Christiansburg and Wythe County, could also be issued 1,818 of Commerce Park shares, exempted from VFRIFA dues or withdraw from VFRIFA. If Christiansburg and Wythe County withdraw, I suggest each be credited \$20,000 in excess dues. Wythe County's dues are in arrears by about that amount. Ms. Fontana advised me that the Christiansburg Town Council has chosen to pursue withdrawal. If no change in the organizational or dues structure is implemented, it may be possible to continue using revenues from both VFRIFA dues and Commerce Park annual investment, with VFRIFA excess dues continuing to be loaned to the Commerce Park as a short term use of reserve funds. *The Authority may choose to ask the executive committees to propose any changes in the organizational structure, as well as annual dues and share amounts, along with developing a proposal on future management, administrative and marketing services.*

- b) **Administrative Staffing Approaches** – Alternatives listed below have been received. *The Authority may want to authorize the joint VFRIFA and CPPC executive committees to negotiate with all offerors for an administrative arrangement, as well as advertise for contracted or hired management if an acceptable arrangement is not reached.*

- i) **Proposal from NRV Economic Development Alliance** – The enclosed (on pp 17 - 20) Alliance proposal offers to provide most non-financial management services for \$36,000 per year.
- ii) **Proposal from NRV Planning District** – The enclosed (on pp 21 - 24) PDC proposal offers to continue administrative and planning support services for a maximum of \$30,000 per year.
- iii) **Suggestion from Pulaski County Administration** – The enclosed (on pp 25 - 26) Pulaski County suggestion would explore a cooperative management between the Alliance, PDC, NRV Airport and member governments, with equal division of any funding available after payment of required expenditures.
- iv) **Schedule for Completion of Services of Current Executive Director** – I have 60 hours of accrued compensatory time. I can complete my service as early as the end of April to have all expenses for my service fall within the current fiscal year. I can also serve as long as through the August VFRIFA annual meeting. *It may be most practical to spread my compensatory time over May, June and July at 20 hours per month and complete my service in August along with the Annual meeting. I request payment for my remaining service be deferred until January 2015.* I would hope my remaining service can be helpful toward transition to the next administration. I very much appreciate the opportunity for employment and service over the past six years.

- c) **Budget Proposal for Fiscal Year 2013-2014** – The proposed budget has been sent to member governments. It includes expenses of \$627,915, with \$559,815 in debt payments, offset by \$412,500 Commerce Park investment, \$65,000 VFRIFA dues, \$131,415 use of reserve funds, and \$19,000 miscellaneous revenue. *Final budget approval can be scheduled for the August annual meeting.*

- d) **Completions of Support Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County – All parties to the agreement have executed the agreement except Giles County. Mr. McClarney can advise if there are any problems with execution by Giles.**

- e) **Other Old Business**

7) New Business

- a) **Approval of Requests from Commerce Park Participation Committee from Preceding Meeting**
b) **Other New Business**

8) Closed Session (if needed)

9) Other Business

- 10) **Adjournment** - Next scheduled full VFRIFA meeting: Wednesdays, August 13, 2014

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Quarter Ending March 31, 2014

Ledger Balance Forward December 31, 2013		293,528.29
Dues/Shares/Rents Received 1/1/2014 -3/31/2014		402,855.16
Interest Earned January - March 2014		(45.00)
Analysis charge for December 2013 - February 2014		402,810.16
Total Receivables (less fees)		402,810.16
 <u>January 2014 Payables</u>		
AEP		10.02
Verizon Wireless		180.54
NRV Planning District Commission		1,762.16
Guynn, Memmer & Dillon		420.00
WC English		400,000.00
New City		1,080.00
Joe Morgan		10,050.00
 <u>Februray 2014 Payables</u>		
AEP		10.02
Verizon Wireless		99.80
Guynn, Memmer & Dillon		420.00
NRVPDC		1,756.10
Robinson Farmer Cox		5,500.00
 <u>March 2014 Payables</u>		
Verizon Wireless		10.02
AEP		2,559.66
NRV Planning District Commission		3,510.00
Anderson and Associates		1,125.00
Guynn, Memmer & Dillon		575.00
Rtimmons Group		429,068.32
Total Accounts Payable		(429,068.32)
Ledger Balance March 31, 2014		267,270.13
 Available Funds		
Virginia's First Designated Balance		58,769.71
Virginia's First Deferred Excess Funds		(12,727.00)
Virginia First Available Balance		46,042.71
Commerce Park Designated Balance		208,500.42
Commerce Park Water/Sewer Expansion Reserve		(192,203.94)
Commerce Park Available Balance		16,296.48
Total Available Funds		62,339.19

Long-term Obligations - principal balance as of **June 30, 2013**

Pulaski County IDA June 2013 Bond Issue Average Interest 5.15% through 2028	\$ 1,660,000.00
Pulaski County IDA June 2013 Bond Issue Average Interest 5.15% through 2039	\$ 4,950,000.00
Pulaski County IDA June 2013 Bond Issue Original Issue Discount	\$ (10,133.00)
VFRIFA Loan to Commerce Park for Site Improvements	\$ 200,000.00
Pulaski County PSA April 2010 Loan Imputed Interest 2.375% through 2050	\$ 1,413,190.00
Total Long Term Obligations	\$ 8,213,057.00

These financial statements have not been prepared in accordance with Generally Accepted Accountin Principles (GAAP) and are intended for internal use only

Virginia's First Regional Industrial Facility Authority
Inventory Schedule
Year Ended June 30, 2013

Value of Land Prior Audit Report	
	Commerce Park Value
Appraisal of 838.474 acres - See E-13b	5,200,000.00
Assessed value 35 acre surplus	662,500.00
Assessed value 55 acre surplus	330,600.00
Total	6,193,100.00

Value of Land June 30, 2013 Audit Report		
Parcel	Per County GIS (12/16/2013)	
	Parcels	Assessed Value
036-005-0000-0003	410.62	3,284,900.00
037-001-0000-0001	340.90	1,374,600.00
037-001-0000-0021	55.00	330,600.00
047-048-0000-0006	34.59	220,600.00
	Acres prior to sale (31 after sale)	
047-048-0000-0010	65.22	652,200.00
036-005-0000-0001	8.97	671,100.00
	915.30	6,534,000.00

Total value per books (above)	6193100.00	
Book value per acre	6,766.23	
Disposals		
Red Sun Farms	Acred	
New Dublin Presbyterian Church	100	Value
	3.5855	676,623.01
		24,260.32
Total Disposals	700,883.33	
Sales Proceeds	16,134.75	
Net	684,748.58	
Land held for resale	5,508,351.42	
Loan due from Church	16,135.00	
Net Value of land held for resale	5,492,216.42	

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	VA First	Commerce Park	Total Funds
12/31/2013 Designated Balance	\$ 74,637.72	\$ 218,890.57	\$ 293,528.29
Quarterly Income			
Dues/Shares			
Leases		\$ 2,855.16	
Interest			
Misc		\$ 400,000.00	
Add'l Shares - W/S Expansion			
Total Income		\$ 402,855.16	
Quarterly Expense			
Admin Contracted	\$ 8,077.67	\$ 8,000.25	
Admin Exp	\$ 325.34		
Project Development		\$ 401,080.00	
Contractual Service			
Debt Service			
Participation Committee			
Professional	\$ 7,465.00	\$ 3,510.00	
Site Maintenance		\$ 655.06	
Revenue Refund			
Misc/reserve used for debt service			
Total Expense	\$ 15,868.01	\$ 413,245.31	
3/31/2014 Designated Balance	\$ 58,769.71	\$ 208,500.42	\$ 267,270.13
VA 1st includes deferred revenue @		3/31/14 ledger balance	\$ 267,270.13
\$12,727.00			\$ -
	\$ 208,500.42	Commerce Pk 2nd Qtr Balance	
	\$ (192,203.94)	designated for W/S expansion	
	\$ -	designated for RD Loan reserve	
	\$ 16,296.48		

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Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual

July 2013 through June 2014

	Jul '13 - Jun 14	Budget	% of Budget
Income			
Commerce Park Income			
Commerce Park - Use of Reserve Interest Income - Commerce Park	0.00 14.46	152,857.00	0.0%
Lease Income - Commerce Park			
Dalton - 400 Acres	7,754.65	4,000.00	193.9%
Flory - 100 Acres	2,215.95	2,000.00	110.8%
Guthrie - 300 Acres	1,006.26	1,800.00	55.9%
Residence - Double Wide	4,899.90	7,200.00	68.1%
Total Lease Income - Commerce Park	15,876.76	15,000.00	105.8%
Shares - Commerce Park			
Shares - Bland County	5,900.00	5,900.00	100.0%
Shares - City of Radford	23,258.00	23,258.00	100.0%
Shares - City of Roanoke	27,500.00	27,500.00	100.0%
Shares - Craig County	5,844.00	5,844.00	100.0%
Shares - Giles County	55,851.00	55,851.00	100.0%
Shares - Montgomery County	55,851.00	55,851.00	100.0%
Shares - Pulaski County	180,172.00	180,172.00	100.0%
Shares - Roanoke County	29,255.00	29,255.00	100.0%
Shares - Town of Dublin	2,968.00	2,968.00	100.0%
Shares - Town of Pearisburg	5,900.00	5,900.00	100.0%
Shares - Town of Pulaski	20,001.00	20,001.00	100.0%
Total Shares - Commerce Park	412,500.00	412,500.00	100.0%
Water Surcharge	0.00	1,000.00	0.0%
Commerce Park Income - Other	400,000.00		
Total Commerce Park Income	828,391.22	581,357.00	142.5%
Virginia First's Income			
Member Dues - VA First			
Dues - Bland County	5,000.00	5,000.00	100.0%
Dues - City of Radford	5,000.00	5,000.00	100.0%
Dues - City of Roanoke	5,000.00	5,000.00	100.0%
Dues - Craig County	5,000.00	5,000.00	100.0%
Dues - Giles County	5,000.00	5,000.00	100.0%
Dues - Montgomery County	5,000.00	5,000.00	100.0%
Dues - Pulaski County	5,000.00	5,000.00	100.0%
Dues - Roanoke County	5,000.00	5,000.00	100.0%
Dues - Town of Christiansburg	5,000.00	5,000.00	100.0%
Dues - Town of Dublin	5,000.00	5,000.00	100.0%
Dues - Town of Pearisburg	5,000.00	5,000.00	100.0%
Dues - Town of Pulaski	5,000.00	5,000.00	100.0%
Dues - Wythe County	0.00	5,000.00	0.0%
Total Member Dues - VA First	60,000.00	65,000.00	92.3%
Total Virginia First's Income	60,000.00	65,000.00	92.3%
Total Income	888,391.22	646,357.00	137.4%
Gross Profit			
Expense			
Commerce Park Expenses			
Administration Contracted - CP			
Contracted Management	3,550.00	5,940.00	59.8%
Contracted Site Coordination	0.00	1,000.00	0.0%
PDC Staff Services	12,723.75	18,000.00	70.7%
Total Administration Contracted - CP	16,273.75	24,940.00	65.3%
Administration Expenses			
Advertising/Media	236.08		
Copies/Printing	0.00	50.00	0.0%
Miscellaneous	125.00	1,257.00	9.9%
Office Supplies	57.89	50.00	115.8%
Postage	0.00	20.00	0.0%
Transportation/Travel Per Diem	182.44	1,000.00	18.2%
Total Administration Expenses	601.41	2,377.00	25.3%
Debt Service-Commerce Park			
New Financing	132,669.18	499,917.00	26.5%
Pulaski Co PSA - 2050	38,000.00	38,000.00	100.0%
Rural Development #2 - 03/02/45	0.00		
Total Debt Service-Commerce Park	170,669.18	537,917.00	31.7%
Participation Committee-Comm Pk	0.00	1,500.00	0.0%
Professional Services-Comm Pk			
Engineering	3,510.00	5,000.00	70.2%
Total Professional Services-Comm Pk	3,510.00	5,000.00	70.2%
Project Development-Commerce Pk			
Red Sun Farms Grading	400,000.00		
Site Development/Marketing			
Pastcard Mailer	0.00	5,000.00	0.0%
Website	1,080.00		
Total Site Development/Marketing	1,080.00	5,000.00	21.6%
Utility Extension	420,000.00		
Total Project Development-Commerce Pk	821,080.00	5,000.00	16,421.6%
Site Maintenance-Commerce Park			

**Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual**

July 2013 through June 2014

	Jul '13 - Jun 14	Budget	% of Budget
Environmental Insurance	575.00		
Property	0.00	583.00	0.0%
Total Insurance	0.00	583.00	0.0%
Materials/Supplies	0.00	1,000.00	0.0%
Miscellaneous	40.46	300.00	13.5%
Rental Property Maintenance	350.00	2,500.00	14.0%
Utilities	90.18	240.00	37.6%
Total Site Maintenance-Commerce Park	1,055.64	4,623.00	22.8%
Total Commerce Park Expenses	1,013,189.98	581,357.00	174.3%
Virginia's First Expenses			
Administration Contracted -VF			
Contracted Management	6,450.00	12,060.00	53.5%
PDC Staff Services	5,356.40	7,000.00	76.5%
Total Administration Contracted -VF	11,806.40	19,060.00	61.9%
Administration Expenses - VA1st			
Copies/Printing	0.00	50.00	0.0%
Insurance - Public Officials	0.00	1,100.00	0.0%
Miscellaneous			
Bank Fees	302.16	1,000.00	30.2%
Other	911.34	840.00	108.5%
Total Miscellaneous	1,213.50	1,840.00	66.0%
Postage	0.00	50.00	0.0%
Telecommunications	1,247.29	1,500.00	83.2%
Transportation/Travel Per Diem	42.38	1,000.00	4.2%
Total Administration Expenses - VA1st	2,503.17	5,540.00	45.2%
Professional Services- VA First			
Audit Fee	5,500.00	3,400.00	161.8%
Legal	7,563.57	5,000.00	151.3%
Total Professional Services- VA First	13,063.57	8,400.00	155.5%
Water & Sewer Capacity Debt	17,000.00	17,000.00	100.0%
Website & Target Industry Resea			
Target Industry Research	0.00	8,000.00	0.0%
Website Analysis	0.00	2,000.00	0.0%
Website Maintenace	2,282.00	5,000.00	45.6%
Total Website & Target Industry Resea	2,282.00	15,000.00	15.2%
Total Virginia's First Expenses	46,655.14	65,000.00	71.8%
Total Expense	1,059,845.12	646,357.00	164.0%
Net Income	-171,453.90	0.00	100.0%

These financial statements have not been prepared in accordance with General Accepted Accounting Principles (GAAP) and are intended for internal use only.

Virginia's First Regional Industrial Facility Authority

Schedule of Findings and Responses

Year Ended June 30, 2013

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Section II - Financial Statement Findings

Finding 2013-1

Criteria:	Per Statement on Auditing Standards 115, an auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report.
Condition:	The auditee does not possess sufficient expertise in the selection and application of accounting principles to ensure the annual financial report (and interim financial statements) meet all applicable standards promulgated by Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB).
Effect:	The financial statements required numerous material adjustments to be presented in accordance with current financial reporting standards.
Cause:	The auditee entered into complex financial transactions during the year and did not properly evaluate these transactions in a financial reporting context. The auditee maintained a record of cash basis transactions, but did not consider the financial effects of loan transactions, a performance agreement, a water and sewer availability agreement and a land sale.
Recommendation:	During years in which the Authority enters into complex financial transactions, we <u>strongly</u> recommend that the Authority hire a consultant to review these transactions and prepare the financial statements in accordance with financial reporting standards. We further recommend that the Authority label interim financial statements as "for internal information only" as a disclaimer to any potential third parties that may rely on interim financial statements.

Virginia's First Regional Industrial Facility Authority

Schedule of Findings and Responses

Year Ended June 30, 2013

Section II - Financial Statement Findings (continued)

Management's Response: During fiscal year 2013 - 2014, VFRIFA is reviewing the adequacy of management services due to the end of its current consulting executive director's term in August 2014, as well as renewal of financial bookkeeping reporting services through annual engagement with the New River Valley Planning District Commission. Such review will consider the need for acquiring sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report.

Finding 2013-2

Criteria: Financial records should be maintained on-site during the audit process and available for review by the auditor(s).

Condition: Financial information key to the audit was not available on-site during our scheduled audit fieldwork. For instance, bank statements containing approximately \$2.1 million (as of 6/30/2013) related to the Authority's performance agreement and refinancing of debt were not available during our scheduled fieldwork.

Effect: Without financial records, the auditor could miss material transactions that should be reported in the financial statements of the Authority.

Cause: The auditee has not established a central repository for all files.

Recommendation: The auditee should maintain complete financial records and related agreements in one location and should make all of these files available for the auditor(s) review.

Management's Response: In the upcoming engagement, during 2014, of new management services, the Authority will consider the possibility of a more central repository for all files, as well as the most efficient procedure for making those files available for both the preparation of annual financial statements and for review by external auditors during field work associated with the annual report required by Code of Virginia sections 15.2-6413 and 30-140. Such review will include whether duplication of files is beneficial for those files related to the Authority maintained through the Industrial Development Authority of Pulaski County and the Pulaski County Public Service Authority.

MEMORANDUM

TO: Virginia's First Regional Industrial Facility Authority and
New River Valley Commerce Park Participation Committee Members

FROM: Theresa J. Fontana of Guynn, Memmer & Dillon, P.C., Authority Attorneys

DATE: April 3, 2014

RE: Reorganization for Commerce Park Focus and Possible Withdrawal of Members

You have asked for recommendations and suggested amendments to the Authority/Commerce Park Committee's current organizational documents that would allow the following:

- 1) The New River Valley Commerce Park will become VFRIFA's primary focus;
- 2) VFRIFA and the Commerce Park Participation Committee will operate and budget as one unit; and
- 3) Provide for the withdrawal of Wythe County and the Town of Christiansburg from the Authority should they choose to do so.

As a result, I reviewed the applicable organizational documents and law and provide the following information and recommendations for the members to consider:

Background of Organization

Creation of the Authority

VFRIFA was created pursuant to the Virginia Regional Industrial Facilities Act ("Act"), Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, which authorizes the creation of regional industrial facility authorities to enhance the economic base for member localities by developing, owning, and operating one or more facilities on a cooperative basis. Va. Code § 15.2-6401(A)-(B). In September of 1998, 15 localities located in southwestern Virginia entered into an Agreement Creating Virginia's First Regional Industrial Facility Authority ("Agreement"). This Agreement is simple and straightforward, essentially tracking the requirements of the Act, and authorizes the Authority to undertake a variety of projects so long as the projects meet the purposes of the Act.

The Agreement does not limit VFRIFA to one project nor does it require VFRIFA to take on more than one project. The Authority itself may undertake a project or participate in a project undertaken by any one or more of its member localities. "Participation Agreements" are authorized to set forth the terms and conditions of such project participation, including potentially, both public and private participation; the issuance of bonds or other indicia of debt

by the Authority; the recovery of any of the Authority's costs and expenses; and the distribution of the benefits of any projects to the member localities, etc.

The Authority is also authorized to establish fees to support the general activities of the Authority, provided that, without their express agreement, no member locality shall be required to pay fees and assessments in excess of \$5000 per year to support the general activities of the Authority.

Creation of the Commerce Park Project Participation Committee

The Commerce Park Project was undertaken in 1999, pursuant to the New River Valley Commerce Park Project Participation Agreement-Initial Phase dated October 14, 1999 ("1999 Participation Agreement"). As part of the 1999 Participation Agreement, the Authority and 12 of its 15 member localities agreed to form the Project Participation Committee (the "Committee"). The Committee is made up of one representative of each participating jurisdiction. The Committee was given the sole responsibility for the decisions required for the construction, management, and overall implementation of the Project. The Committee was also delegated the authority to set its own rules of operation, elect its own officers, and require the Authority to take the actions necessary to implement and operate the Project.

Contributions and Ownership of the Commerce Park Project is determined based upon the participant's purchase of shares issued for the Project, the value of which was and is dependent upon the financing structure of the Project, including an amount for the annual payment of administrative expenses. All of the participating localities were offered 1/15th share in the Project initially and each locality could decide to accept any, or all, of the offered shares. Left over shares were offered to the participants (on a proportional basis) that had agreed to purchase shares in the Project. If any shares still remained, they were offered to the host locality and according to the 1999 Participation Agreement, could be offered to outsiders.¹

The annual costs and expenses of the Project, including any financing, with interest and expenses, is paid for by contributions by each participating locality in proportion to the amount of shares it owns to the total outstanding shares, subject to the limitation that the participant's annual contribution, per share, shall not exceed, without its consent, the initial share price.

The Initial Phase of the Commerce Park Project was limited to acquisition of the property, construction of a mile of access road, limited grading, and engineering plans for water and wastewater facilities for the Commerce Park and initially, enlargement of the scope of the

¹ Currently, no shares of the Commerce Park are owned by "outsiders" such as private investors. There is some concern with regard to whether "shares" of the Commerce Park Project may legally be sold to private investors. There may be federal and state securities regulations that come into play concerning such sales and prior to considering sales to private investors, research should be done to determine whether the Authority and its member localities are subject to such regulation. This research has not been requested nor conducted as of the date of this memorandum.

Project required unanimous consent of the participants. Additional phases were contemplated to be financed at least in part through the purchase of additional shares (offered to each participant in proportion to its ownership in the Initial Phase).

A revenue sharing component was set forth in the 1999 Participation Agreement providing for the machinery and tools taxes paid by all of the businesses and industries that locate within the Project (after the payment of debts and expenses) to be distributed among the participants based upon each participant's ownership in the Project.

Amendments to the Participation Agreement

In 2001, the Participation Agreement was amended to allow Wythe County to withdraw as a participant. Wythe's shares were purchased by the remaining participants. To date, Wythe County remains a member of the Authority.

In 2010, the Participation Agreement was amended a second time to 1) expand the scope of the Project Description to include all of the land in Pulaski County titled to the Authority, water and wastewater reservations and cost recovery agreement, the marketing and developing of large lots and small lots in the Commerce Park, certain planning and feasibility analyses, and additional projects as identified in an Agreement for Project Based Financing dated August 8, 2001²; 2) amend the voting approval required to approve the selling, transferring, and encumbering, etc., of real and personal property; and 3) amend the financing plan to recognize the then current debt obligations for the Commerce Park and to include additional sources of revenue such as, certain bonds, proceeds from the sale of surplus property, the use of surplus Authority dues upon the unanimous consent of all members of the Authority, certain grants, and refunding of bonds.

The revenue sharing component of the 1999 Participation Agreement was also amended to include the equal sharing among the participants of a certain percentage (decreasing over time) of the personal property and real estate taxes collected from businesses located within the Commerce Park. However, for the first seven years, these taxes could be offered as an incentive to businesses locating within the Commerce Park instead of distributing same among the participants.

VFRIFA's Bylaws

The Authority's Bylaws were adopted on September 12, 2001 and amended on July 10, 2002 ("Amended Bylaws"). The Amended Bylaws authorize the Board of Directors to act on behalf of the Authority and includes provisions concerning the Board's membership, meetings, voting, etc. The Board is authorized to appoint an Executive Director and establish staff positions as appropriate. The creation of committees is also addressed.

² I have not reviewed this Agreement to date.

Board Committees are created by resolution and may choose their own chairperson, secretary, etc. Meetings may be called after notice as determined by the committee. Importantly, the Board of Directors shall have the power to change the members of, fill vacancies in, and discharge any committee, with or without cause.

Applicable Virginia Law

As noted previously, VFRIFA was created pursuant to the Virginia Regional Industrial Facilities Act (“Act”), Chapter 64 of Title 15.2, of the Code of Virginia, 1950, as amended. “Title to all property of every kind belonging to an authority shall be titled to the authority, which shall hold it for the benefit of its members.” Va. Code § 15.2-6404. The authority is empowered to enter into contracts of any kind to accomplish the purposes of the authority. § 15.2-6405(6). The authority may expend funds for developing facilities, borrow money for any valid purpose, and make loans or grants and enter into cooperative arrangements in furtherance of the purposes of the Act. § 15.2-6405(7), (9), (13).

Member localities may lend or donate money to an authority and restrict the use of such grants or loans to a specific facility owned by the authority. § 15.2-6406. Member localities may agree to revenue sharing agreements. § 15.2-6407.

Member localities may withdraw from the authority with the majority approval of all other members of the authority, upon a resolution adopted by the governing body of a member locality and after satisfaction of such member’s legal obligations, including:

- 1) Repayment of its portion of any debt incurred; or
- 2) After making contractual provisions for the repayment of its portion of any debt incurred; and
- 3) Pledging to pay general dues for the current and succeeding fiscal year following the effective date of the withdrawal;
- 4) Withdrawing member may not retain, without the consent of the majority of the remaining members, any rights to authority property or revenue sharing;
- 5) Withdrawing member must also return any dues or contributions refunded during its membership in the authority. § 15.2-6415.

Recommendations

In light of the foregoing, I offer the following recommendations/options concerning the following:

VFRIFA’s focus on the New River Valley Commerce Park

Based upon my review of VFRIFA’s organizational documents, the 1999 Participation Agreement, as amended, and the Act, I find nothing therein that prohibits the Authority from

deciding to focus primarily on the Commerce Park and VFRIFA's desire to focus solely on the Commerce Park does not require an amendment to any of the documents.

Consolidation of VFRIFA and the Commerce Park Participation Committee

However, in order to consolidate the operations and budgeting of VFRIFA and the Participation Committee, the New River Valley Commerce Park Project Participation Agreement must be amended. If an amendment is undertaken, it is my recommendation that the members of the Authority and the participants of the Commerce Park Committee should consider the following:

- 1) Dissolution of the Project Participation Committee (or retaining the Committee as an advisory body only) with the Authority assuming all, or some, of the duties and obligations of the Committee. Current duties and obligations of the Committee include:
 - a) Solely responsible for decisions concerning construction, management, and implementation of the Project;
 - b) Retains project consultants, etc.;
 - c) Develops an operating and capital budget for each fiscal year;
 - d) Responsible for loan obligations, costs, and expenses related to the Project and must reimburse the Authority for Project expenses;
 - e) Determines the scope of the Project;
 - f) Enters into performance agreements with businesses locating in the Commerce Park;
- 2) Clarify the issuance and method for determining the purchase and sales price of shares. Currently, there are two methods of purchasing (or types of) shares (i.e. "financed" and "lump sum"). Financed shares are paid for over time and include an annual contribution based upon the number of shares which includes debt service and a portion of the ongoing operational costs and expenses of the Commerce Park. Lump sum share purchases do not require annual contributions based upon the number of shares purchased. This may result in one member having a large ownership interest in the Park but contributing less than other members to the ongoing expenses of the Park.

In addition, the Participation Agreement requires any additional Project shares issued to be offered to participants in proportion to each participant's initial share purchase. This may not be practical and warrants clarification.

- 3) Clarify what the dues and "contributions per share" paid by members can be used for. Currently, members of the Authority pay dues to cover the expenses associated with the general activities of the Authority and participants pay contributions based upon their initial purchase of shares which are intended to cover the debt service, costs, and administrative expenses associated with the Project.

- 4) Clarify the method of distributing revenue among the member/participants. Currently, after expenses, etc., participants are to receive machinery and tools tax revenue based upon their ownership of shares in the Project. A percentage of the real estate and personal property taxes collected from business in the Commerce Park are to be shared equally among participants with such sharing of the real and personal property tax revenue phasing out over time. Participants should consider whether this arrangement encourages further contributions on the part of participants to the Project or whether the revenue sharing component of the Participation Agreement should be amended.

Withdrawal of Members

As noted above, the Virginia Code allows for a member to withdraw from an authority upon a resolution adopted by the governing body of the withdrawing authority and majority approval of members of the authority. VFRIFA should ensure that upon receiving a request for withdrawal, the financial considerations set forth in the Virginia Code have been met to the satisfaction of the Authority and any bondholders, if necessary. If no debt obligations have been undertaken by the withdrawing member and thus, bondholder approval is not required to allow a member to withdraw, nothing in the Code prohibits an authority from settling with a withdrawing member and allowing a member to withdraw even if they do not meet every other condition for withdrawal set forth therein.

In the event that Wythe County and the Town of Christiansburg withdraw from the Authority, the remaining members of the Authority will all be Commerce Park Project participants as well.

Conclusion

It is my hope that this memorandum provides information that will allow the Authority and Committee to discuss and determine what changes, if any, should be made to the documents described herein. I am happy to answer any questions you may have. However, to the extent that financial information, calculations, or recommendations may be required, I am unable to address such and defer to qualified financial experts.



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**Proposal: Management of the VFRIFA-CPPC and Marketing of the Commerce Park
by
The New River Valley Economic Development Alliance**

March 30, 2014

Project Understanding and Approach

The New River Valley Economic Development Alliance (the Alliance) focuses on marketing the New River Valley domestically and internationally as a prime region for business and industry to locate and expand. The Alliance is often called upon to work with regional governments, authorities and businesses which are developing and in need of marketing sites and buildings. The Virginia's First Regional Industrial Development Authority (VFRIFA; the Authority) was formed in 1999 to provide a mechanism for joint development of projects in the region by participating localities; sharing costs to develop, maintain and market projects as well as share in revenues generated by same projects. The first, and only, major project undertaken to date by the Authority is the New River Valley Commerce Park (Commerce Park) through the auspices of a committee formed and named the Commerce Park Participation Committee (CPPC). Members of the Authority can choose to participate in the CPPC and development of the Commerce Park and not all Authority members have so chosen.

The current Executive Director of the Authority is retiring and the Authority is seeking to have the duties and responsibilities of Managing and Marketing of the Authority and the CPPC taken over by community based organizations. The New River Valley Planning District Commission (NRV-PDC) is currently performing a variety of administrative and financial duties and may propose to continue providing the same duties and services once the Executive Director retires.

In our opinion, the best long-term solution to managing and operating the Authority and the CPPC is by hiring a full-time executive director at a compensation level commensurate with duties and responsibilities of a senior executive. If the Authority is not able to financially support such a hire for the present, the duties and responsibilities will be addressed by several regional organizations.

Project Approach

The focus of the VFRIFA and issues it deals with are broader than those of the Alliance. However, the focus CPPC and issues related to the development and promotion of the Commerce Park align directly with those of the Alliance. Most of the issues currently and for the foreseeable future that need to be addressed are centered on the Commerce Park and the CPPC. The Alliance proposes to focus efforts on the CPPC and Commerce Park by assuming related duties and responsibilities formerly performed by the VFRIFA Executive Director. Specifically, the Alliance proposes to:

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1. serve as administrator for the CPPC under the rules and guidelines of the VFRIFA-CPPC,
2. guide and support decisions made by the CPPC in regards to the development and management of the Commerce Park,
3. manage the maintenance and upkeep of the Commerce Park facilities through contracted services, as well as manage other agreements for land or building rental at the Commerce Park,
4. serve as the chief marketing organization for the Commerce Park as an extension of the Alliance's existing marketing program and with Commerce Park specific marketing/promotion activities.

The duties currently being performed by the NRV-PDC and those pertaining strictly to the management of the Authority are not part of this proposal but will be taken up by other regional organizations or within the Authority membership (e.g. rotating member chairmanship of the Authority)

Why the NRV-Economic Development Alliance Should Perform Management and Marketing Duties for VFRIFA-CPPC?

- The Alliance is a wholly regional organization already working with most of the members of the VFRIFA and the CPPC.
- As a regional organization the Alliance can maintain independent/third party administration avoiding any perceived favoritism.
- The Alliance's mission and activities align perfectly with the needs of the VFRIFA-CPPC as stated in its RFP. This is especially true of the marketing component. The Alliance is a marketing organization responsible for developing and implementing marketing initiatives for the region. Issues related to development of the Commerce Park can be put in the larger context of regional needs and focus by the Alliance.
- Promoting the Commerce Park will be more seamless with the Alliance performing its traditional regional marketing role AND being solely responsible for marketing the Park as a duty working with VFRIFA
- The Alliance can perform all required functions from its existing resources and through simple modification of existing contractual arrangements with others, specifically with David W. Denny, LLC as a consultant to the Alliance.
- Has deep experience working with both the public and private sectors.

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Scope of Services Provided

- Contract held by the Alliance
- Use Existing Human and Contracted Resources
- Overall breakdown of primary responsibilities:
 - Aric Bopp – project contract oversight, marketing
 - David Denny – project management, management/administration of CPPC; maintenance and rental agreement oversight, marketing support/back-up
 - Tabitha Hodge – administrative support

Management Services:

- CPPC Organizational Support, including:
 - Meeting scheduling with agenda and minutes preparation;
 - Committee Member documentation required by Code of Virginia Title 15.2, Chapter 64, Virginia Regional Industrial Facilities Act
 - Review of receivables and payables; make recommendations to the Authority on fiduciary actions to be taken
 - Liaise with the Authority and the NRV-PDC
 - Attend Authority Meetings for Reporting and Discussions
- Commerce Park Site Maintenance, including;
 - Farm and rental residential lease administration
 - Mowing services oversight
 - Vacant building upkeep oversight
 - On-going site development planning
 - Development, Covenants and Communications Committee support

Marketing Services

- Maintenance of site data
- Update of site data on nrvcommercepark.com website
- Direct marketing, such as targeted industry research and contact with mailer or phone outreach
- Marketing coordination with host community and NRV Economic Development Alliance
- Extension of NRV Economic Development Alliance marketing missions
- On-site hosting of economic development “prospects”

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Compensation

The scope of services will be performed for a lump sum amount of \$36,000 for a twelve-month period. The compensation will include all costs associated with performing the scope of services. The lump sum amount will be payable in four equal installments due in advance of each calendar quarter of the twelve month contract period; the first payment due on acceptance of the proposal.

Additional services may be provided for an additional cost. Services include:

- Management of the VFRIFA;
- Additional Marketing Activities not specified in the Scope of Services
- Strategic Planning

Services Not Included

- Holding of bank accounts for CPCC or Authority transactions
- Expending funds or check writing for CPCC or the Authority
- Any fiduciary responsibilities other than those previously stated
- Financial Planning
- Audit Services

* Scope of work and proposal acceptance is subject to final Alliance Board approval.

contact

Counties
Floyd • Giles • Montgomery • Pulaski

City
Radford

Towns
Blacksburg • Christiansburg • Floyd •
Narrows • Pearisburg • Pulaski • Rich Creek

Universities
Virginia Tech • Radford University

New River Valley Planning District Commission



March 28, 2014

Joseph N. (Joe) Morgan
Executive Director
Virginia's First Regional Industrial Facility Authority
6580 Valley Center Drive, Suite 124
Radford, VA 24141

RE: Invitation to Propose Management and Marketing Services for VFRIFA

Dear Mr. Morgan,

On behalf of the New River Valley Planning District Commission I am pleased to provide the enclosed response to Management and Marketing Services for VFRIFA. In 1969 the Commission was established by the local governments of the New River Valley to serve its members by providing technical assistance and providing services to support regional cooperation. For the past 45 years the Commission Board of Directors and staff have taken pride in providing high quality service when requested by its members. To that end, the Commission discussed this opportunity at their February meeting and decided to respond by communicating a willingness to provide the current level of service, unless asked to provide additional services. The enclosed response details the services the Commission is well positioned to deliver based on skill sets, experience and extensive knowledge of the overall VFRIFA program goals given our historical involvement.

I look forward to the opportunity to discuss the proposal further following review by the VFRIFA Executive Committee and Board of Directors.

Sincerely,

Kevin R. Byrd, AICP
Executive Director

Overview of Proposal

The New River Valley Planning District Commission is pleased to have the opportunity to submit a proposal to provide services to support the activities of Virginia's First Regional Industrial Facilities Authority and the New River Valley Commerce Park. Over the last five years, the Commission has provided administrative and financial services to support the authority and its Executive Director. The basis of our proposal is to continue providing these services and work in partnership with another entity providing executive management of the authority.

We recognize the authority may need to implement a creative solution for the administrative, marketing and financial services required to support the organization within the existing budget constraints for FY2015. This proposal organizes the services we propose to provide in modules to help the authority understand the roles the Commission can fill as it works to create an effective management and marketing team moving forward. We anticipate the full scope listed below to cost \$30,000 on a not-to-exceed basis and bill-as-services-are-incurred on a monthly basis.

Scope of Services and Compensation

Management

Management services include financial administration, board organizational support, and Commerce Park site maintenance. The Commission will provide services as follows.

1. Financial Administration

The Commission will continue providing bookkeeping services to include billing and payables, banking services, and quarterly interim financial reports. Staff will also assist with annual budget preparation and procuring a qualified CPA or consultant preparation of annual financial statements prior to audit as required by Code of Virginia Section 15.2-6413.

2. Board Organizational Support

The Commission will continue to provide board support to include meeting scheduling with agenda and minutes preparation; maintaining board member documentation in compliance with the Code of Virginia; and procuring and administering insurance coverage for the authority. The Commission will also maintain an archive of board and participation committee meeting minutes and other documentation, including internet-accessible as feasible, for member access and public information requests.

As directed, the Commission will also provide support for any potential participation committees, strategic planning research, and project assistance such as grant writing, planning, due diligence, and contract administration.

3. Commerce Park Site Maintenance

The Commission will provide services for the following activities: farm and rental residential lease administration (following lease negotiation by a to be determined executive management role); Development, Covenants and Communications Committee staffing; and on-going site development planning.

The Commission does not anticipate providing coordination in maintenance and oversight of the Commerce Park property for mowing services and vacant building upkeep.

Marketing

Marketing services will include:

- Maintenance of site data
- Update of site data on nrvcommercepark.com website
- Direct marketing such as targeted industry research and contact with mailer or phone outreach
- Marketing coordination with host community and NRV Economic Development Alliance

The Commission will provide these services as follows.

1. Maintenance of site data

The Commission will continue to maintain current demographic data, GIS layers of the property and regional relevant data for prospect submittals. Engineering and property analysis reports will also be maintained for reference, planning and marketing purposes.

2. Update of site data on nrvcommercepark.com website

The Commission will keep the nrvcommercepark.com website up to date as the park develops and post revised information, layouts, etc. as they become available.

3. Direct marketing such as targeted industry research and contact with mailer or phone outreach

The Commission will administer any direct marketing project and proposes to reserve \$5,000 of the VFRIFA/Commerce Park annual budget beyond the proposal herein to procure materials and/or services necessary to execute the project.

4. Marketing coordination with host community and NRV Economic Development Alliance

The Commission will continue to provide marketing coordination for the Commerce Park with Pulaski County and the Alliance. We anticipate these tasks will include networking assistance within the economic development community, business plan development support; providing marketing materials (brochure; investor materials; publication of history, goals, and achievements);

presentations assistance; presentation mapping; and preparation of prospect proposals and assistance with site visits.

Add-on Services

The scope above is considered a baseline service which mirrors existing Commission service to the Authority. The Authority, its Executive Committee, or the Commerce Park Participation Committee may elect to authorize additional services and support from the Commission. In such cases, the Authority and the Commission will negotiate a scope and a fee through an addendum to this MOU for the specified services – which may include prospect marketing support above four (4) initial responses and follow-up beyond initial inquiry, project support for site development, and other services deemed appropriate. The additional services identified above reflect add-on services in the current Commission contract to serve the Authority.

Cost of Service

The Authority agrees to pay the Commission a fee not to exceed \$30,000.00. This will constitute full and complete payment for the Commission's work and activities as set forth herein. Such sums will be paid in the following manner in every case subject to receipt of the Commission's invoice for payment. Such invoice shall specify the Commission has performed the work specified in conformance with the terms and conditions of this agreement, and the Commission is entitled to receive the amount invoiced under the terms and conditions of this agreement. Invoices shall be submitted monthly.

Not-to-Exceed Cost

It is expressly understood and agreed by all parties hereto that in no event will the total funding to be paid to the Commission hereunder exceed the maximum sum of \$30,000.00 unless authorized by addendum to this MOU. It is further understood that the Commission will request payment for only those costs that are incurred by the Commission in the fulfillment of the work responsibilities outlined herein. Specifically, if the Commission is able to fulfill its obligations with actual costs less than \$30,000.00, the Authority will retain the difference.

Ownership and Status of Documents

All project documents produced under this Agreement become the property of the Authority upon the completion. The Commission is entitled to permanently retain appropriate copies of all project documents for reference purposes.

Any reports, information, data, etc., given to, prepared or assembled by the Commission under this Agreement shall be kept confidential by the Commission until released or approved for release by the Authority.

Virginia's First and Commerce Park Management Plan - A Shared Approach

Submitted by Peter Huber, Pulaski County Administrator

Following the receipt of any individual proposals, I would like to suggest a shared approach to the administration of Virginia's First Industrial Facilities Authority and the operation of the Commerce Park Participation Committee. The use of a shared approach would be reflective of the shared ownership of the Park with the division of duties based on which agencies and individuals are best able to address each of the various aspects of managing, developing, and promoting the Commerce Park and Virginia's First. The purpose of this outline is to illustrate what could be accomplished through a shared approach and to start a discussion as to how agencies and member localities can best work together for the good of the region.

Commerce Park Marketing - NRV Economic Development Alliance: The Alliance is already marketing the NRV and has had a long-time charge of marketing the Commerce Park. Thus, the Alliance would be best suited to fulfill the marketing role in providing for maintenance of site data with VEDP; maintenance and upgrading the site data on the nrvcommercepark.com website; direct marketing such as targeted industry research and contact with mailer or phone outreach. The Alliance's involvement in attracting Red Sun Farms and excellent record in making possible various industrial announcements taking place throughout the New River Valley in the past few years fully qualify the Alliance in being in the best position to promote the continued development of the Commerce Park.

Commerce Park Caretaking – New River Valley Airport Commission: The New River Valley Airport Commission is located adjacent to the Commerce Park and already has responsibility for approximately 400 acres. Thus, the Commission would be best prepared to continue to provide continued mowing services as already arranged through the donation of mowing equipment to the Commission, weekly inspections of the property, farm and rental residential lease administration, and general property oversight with any major property maintenance items referred to Pulaski County.

Virginia's First Industrial Facilities Authority Administration – New River Valley Planning District Commission (in collaboration with the Fifth Planning District Commission): Each planning district commission has ready access to regional contact information and holds monthly meetings to discuss regional concerns. Thus, the New River and Fifth PDCs are best equipped for the administration and organization of Virginia's First Regional Industrial Facilities Authority. With the Commerce Park as but one of several possible opportunities for regional collaboration, the administration and management of Virginia's First would seem well suited to staffing by one of the two PDC's with the suggested involvement of the NRV PDC due to the location of the Commerce Park in the New River Valley and the majority involvement of localities from the NRV. Since the NRVPDC already has the regional contacts, it may be helpful for the PDC to do meeting notifications and logistical arrangements. Suggested duties of the NRVPDC would include: Central Point of Contact for VA's First; Budget Preparation; and Board Organizational Support consisting of meeting scheduling with agenda and minutes preparation, board member documentation as required by Code of Virginia Title 15.2, Chapter 64, Virginia Regional Industrial Facilities Act, and insurance procurement and administration

Commerce Park Administration – Pulaski County: The administration of the Commerce Park could be divided into the following five components:

General Administrative Coordination: Any successful effort requires that there be a prime point of contact. Ideally, this would be done by an independent executive director as is the case in other regional efforts. If desired by the member jurisdictions, the Economic Development Director for Pulaski County could serve in this role by providing general administrative support and serving as the prime point of contact with signatory authority being retained by the Chair of Virginia's First.

Information Technology: Pulaski County currently provides technology support to the Executive Director. It is recommended that this function be expanded to include maintenance of a VPN accessible directory on which all Commerce Park related records (agreements, contracts, minutes, meeting agendas, audit reports, marketing proposals, etc) can be accessible to members with read/write access to be dependent on specific needs.

Engineering: The Pulaski County Engineer, Jared Linkous, would best be able to provide on-going site development services, engineering support for prospect activity, VDOT Acceptance of the access road and on-going site development planning. The County Engineer's understanding of local utility and transportation services would allow for full integration of Commerce Park facility needs with the existing utility and transportation infrastructure.

Planning: The Pulaski County Zoning Administrator, Danny Wilson, already has responsibility for the administration of the Commerce Park. He would be best able to interact with the Coordination with Covenants and Communications Committee and his planning background could be of assistance in the development of long-range plans for the Park.

Maintenance: The Construction Manager for Pulaski County, Doug Hudson, has a record of providing property management services for the NRV Business Center. Since Pulaski County has a nearby maintenance staff, it may be helpful for the County to provide major maintenance and ongoing improvements with the possible assistance from Giles County.

Financial Administration – to be determined: Financial administration would include revenue billing and receipts, banking services, monthly bills payment, quarterly interim financial reports, budget preparation, and qualified CPA or consultant preparation of annual financial statements prior to audit as required by Code of Virginia Section 15.2-6413. Each of these functions is already being done by member localities and it would seem that the financial administration of the Commerce Park could readily be integrated into the larger financial management of one of the member jurisdictions. With the use of electronic communication, financial management services do not need to be proximate to the Commerce Park. In addition, a division of financial from other duties would protect the regional nature of Virginia's First and the Commerce Park. Thus, consideration to the involvement of Giles, Montgomery or other locality in the financial management would be helpful.

Proposed Funding – Since the Virginia's First and Commerce Park administrative responsibilities have to come from a fixed budget while the workload bookkeeping involved with a careful accounting of hours would likely cost more than the benefit provided, any available funding should be divided equally among the NRV Airport Commission, the NRV Economic Development Alliance, the NRV Planning District Commission, Pulaski County and the locality providing Financial Management Services.