Virginia's First Regional Industrial Facility Authority

6580 Valley Center Drive, Suite 124
Radford, VA 24141
Phone (540) 639-1524 FAX (540) 831-6093

DATE: **Thursday, July 7, 2011**
TO: ***Virginia's* First Regional Industrial Facility Authority Members**
FROM: **Joe Morgan, Executive Director**
SUBJECT: **Annual Meeting to be held on Wednesday, July 13, 4:30 PM**

A meeting of the Virginia's First Regional Industrial Facility Authority Members will be held on **Wednesday, July 13** at **4:30 p.m.** The meeting will be held at the New River Valley Competitiveness Center, 6580 Valley Center Drive, Radford, VA 24141, in the Training Room across from the NRV Planning District offices.

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

Tentative Meeting Agenda

1) Roll Call and Agenda Approval
2) Public Comments
3) Approval of January 12, 2011 Minutes
4) Preliminary Financial Report for Fiscal Year 2010-2011
5) Administrative Staff Report
   a) Plan of Work Status
   b) Board Member Documentation Required
   c) Budget Recommendation
   d) Memorandum of Understanding for Support Services from New River Valley Planning District
   e) Continuation of Executive Director Consulting Services
   f) FY11 Auditor Engagement
   g) Insurance Coverage Renewal
6) Old Business
   a) Introduction of Commerce Park Strategic Planning Consultants: Leak – Goforth Company, LLC; Bruce Facility Planning Consultants, LLC; and David W. Denny
   b) Deferral of VA1st Strategic Planning Until Completion of Commerce Park Strategic Planning
7) New Business
   a) Report from Participation Committee(s):
      i) Commerce Park Action for Ratification: Potential Lot Purchase Option
      ii) Other reports
   b) Continuation of Authority Chair for 2012, per Code of Virginia 15.2-6403D
   c) Election of Officers or Selection of Nominating Committee for 2012-14 Slate of Officers
   d) Special Meeting of Authority at Each Commerce Park Meeting for Approval of Commerce Park Actions
   e) Building Collaborative Communities Grant Application
   f) Draft 2010-11 Annual Report
8) Closed Session (if needed)
9) Other Business
10) Adjournment - Next scheduled full VA1st meeting: Wednesdays, August 8 or 15, 2012 / Next scheduled Commerce Park meeting: Wednesday, August 10, 2011 at Noon at Commerce Park for Water Tank Bolting Ceremony

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DATE: **July 7, 2011**
TO: ***Virginia's* First Regional Industrial Facility Authority Members**
FROM: **Joe Morgan, Executive Director**
SUBJECT: **July 13, 2011 Meeting – Administrative Staff Report**

Please note that all attached and referenced information will be posted by July 12 on the VA1st website at http://www.nrvpdc.org/vafirst.html . If you prefer to review or print a version with page numbers coordinated with the agenda, the website may be a better one-place reference to all the attachments and reference information.

1) **Roll Call and Agenda Approval –** If any member government will be unrepresented, we encourage you to arrange for appointment of an alternate member.

2) **Public Comments –** No requests to make comments have been received to date.

3) **Approval of January 12, 2011 Minutes *(sent July 1)***

4) **Preliminary Financial Report for Fiscal Year 2010-2011** – We expect to have year end status reports by the July 13 meeting date.

5) **Administrative Staff Report**

   a) **Plan of Work Status -** An update on the adopted program for 2009-2011 is ***attached.*** Most of the program has been completed. Those items still needing attention are shaded where the timing is shown.

   b) **Board Member Documentation Required –** Planner Christy Straight can advise of any missing documentation. Information on the required submittal of annual financial certification will be send by December for the January 15, 2012 filing deadline.

   c) **Budget Recommendation** – ***Attached*** are the FY12 VA1st and Commerce Park budgets, which reflects the budget adopted in April for the Commerce Park. Approval of the budgets is requested. The VA1st budget reflects the reduced membership and continued surplus accumulation. An excess dues declaration may be appropriate in 2012.

   d) **Memorandum of Understanding for Support Services from New River Valley Planning District** – Approval of the ***attached*** memorandum, which has been adopted for the Commerce Park, is recommended for adoption for VA1st. The PDC cost of services is capped at $25,000 for service to both VA1st and the Commerce Park. The estimated VA1st cost is $7,000.

   e) **Continuation of Executive Director Consulting Services** – The ***attached*** proposal reduces the base compensation by twenty-five percent (25%) and extends service availability through 2014.

   f) **FY11 Auditor Engagement** – Renewal is recommended of the services of Robinson, Farmer Cox Associates for the just completed fiscal year.

   g) **Insurance Coverage Renewal -** Renewal of insurance has been arranged through the Virginia Association of Counties risk management subsidiary, VACorp. The allocated cost for general liability and public officials risk coverage for the Authority is $550.

6) **Old Business**

a) **Introduction of Commerce Park Strategic Planning Consultants: Leak – Goforth Company, LLC; Bruce Facility Planning Consultants, LLC; and David W. Denny** – The successful proposers for the strategic planning will be present to explain their overall approach. Mr. Leak and Mr. Goforth have headed the state economic development departments for North Carolina and South Carolina, as well as consulted on numerous major industries site locations.

b) **Deferral of VA1st Strategic Planning Until Completion of Commerce Park Strategic Planning** – Next year may be more appropriate for strategic planning for the overall Authority mission, including whether it will remain available for multiple projects or solely focus on the Commerce Park.

7) **New Business**

a) **Report from Participation Committee(s):**

i) **Commerce Park Action for Ratification: Potential Lot Purchase Option** – The potential option authorized for the Commerce Park on June 2 may be ready for adoption. If not, a briefing on the status can be offered the Authority in closed session.

ii) **Other reports** – I am not aware of any other reports at this time.

b) **Continuation of Authority Chair for 2012, per Code of Virginia 15.2-6403D** – It is in order to designate Chair Biggs for service through 2012 or the end of her term, whichever occurs first.

c) **Election of Officers or Selection of Nominating Committee for 2012-14 Slate of Officers –** It is in order to consider officers for the 2012 to 2014 fiscal years. At minimum, the Chair should be authorized to appoint a nominating committee to bring a slate of officers to the 2012 annual meeting. It is also in order to elect officers now to begin service at the 2012 annual meeting.

d) **Special Meeting of Authority at Each Commerce Park Meeting for Approval of Commerce Park Actions** – To expedite actions of the Commerce Park Participation Committee requiring consent and approval of the Authority, I recommend a special called Authority meeting be held at the conclusion of each Commerce Park meeting, solely for the purpose of confirming Participation Committee actions, where required. Since Mr. Vittum, Authority Vice-Chair, also serves on the Participation Committee, this procedure should be convenient. Legal counsel for the Authority advises this procedure will avoid unnecessary delay in important actions, but also fulfill the requirements for the Authority to act as the legal political subdivision overseeing the Commerce Park.

e) **Building Collaborative Communities Grant Application** - $200,000 is available for three grants of up to $100,000 to explore new regional partnerships. Four VA1st members (Roanoke City, Radford, Pulaski County & Wythe County) make the region eligible based on distressed financial status. An application could be filed to revitalize the Commerce Park initiative and identify new participants. The current strategic planning investment of $35,000, plus $15,000 available for additional strategic planning from last year's budget carryover, might be used for the required twenty-five percent minimum match. Key to an effective application is regional support. Prior to considering an application, which is due July 27, members should indicate willingness to provide letters of support from their local governing bodies, administration and public / private economic development entities. Only one application for any eligible locality may be filed. ***Attached*** are the guidelines and application requirements for the initiative.

f) **Draft 2010-11 Annual Report –** ***Attached*** is the proposed annual report to be sent to member local governments, along with the fiscal year 2011 audit report, when received. Approval of the report is requested.

8) **Closed Session (if needed)**

9) **Other Business**

10) **Adjournment - Next scheduled full VA1st meeting: Wednesdays, August 8 or 15, 2012 / Next scheduled Commerce Park meeting: Wednesday, August 10, 2011 at Noon at Commerce Park for Water Tank Bolting Ceremony**

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Meeting Minutes
January 12, 2011

1. **Roll Call and Agenda Approval**

   Chairman Biggs called the meeting of the Authority to order at 4:35 p.m. at the New River Valley Competitiveness Center, Valley Center Drive, in Pulaski County. A roll call of the Board of Directors was taken and a quorum determined with the following 12 of the 15 member governments represented: Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent (see attached).

   Ms. Biggs requested approval of the agenda.

   Motion: Mr. McKlarney moved the board approve the amended agenda. Mr. Irvin seconded the motion.

   Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

2. **Public Comments**

   No public comments were made.

3. **Approval of July 14, 2010 Minutes**

   Motion: Mr. Townsend moved the Board approve the July 14, 2010 Authority meeting minutes. Mr. Irvin seconded the motion.

   Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

4. **Treasurer's Reports -1st Half FY 2011 and YTD Budget to Actual Report 1st Half FY 2011 (attached)**

   These reports are from the new Quick Books accounting software purchased for VA1st. In addition to the reports, the following payables for FY 2010 have been submitted for payment:

   - Joe Morgan (November & December)- $5,048.03 (VA 1st share $1,762.02 - Commerce Park share $3,286.01)
   - PDC Administration (November) - $1,578.58 (VA 1st share $294.09 - Commerce Park Share $1,284.49)

   Motion: Mr. Meadows moved the board accept the first and second quarter treasurer's reports. Mr. Parker seconded the motion.

   Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of

Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

5. Administrative Staff Report

a. Program of Work Status

An update on the adopted program is included in the minutes of this meeting. Board members had no questions or comments regarding this item.

b. Draft Annual Report

Approval of the annual report was requested. Submittal of the annual report to all member governments is required by Section 15.2-6403E, 1950 Code of Virginia, as amended. The one page draft annual report was included in the minutes of this meeting and sent to all board members, alternates and other interested parties. Attached to the draft were: the updated program of work status, FY10 Consolidated Annual Financial Report and Commerce Park update/marketing brochures.

Staff will submit the annual report and attachments to local government executives/clerks once the report is approved by the board.

Motion: Mr. McKlarney moved approve the board annual report and accept the accountant's audit. Mr. Utt seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

c. Board Member Documentation Required

The annual financial disclosure form due by January 18 was sent to all board members and alternates, along with the status of other credentials. Staff checked to confirm the appointment resolutions, oaths of office and other required credentials are current for all board members. Missing credentials were highlighted and needed documents were sent to both the individual member and the appointing local government. Fortunately, if the reappointment has not occurred, the current member may serve until reappointed or until a replacement is named and takes the oath of office. Since several member governments have noted intent to withdraw from the Authority, it is essential all board members and alternates have current credentials

d. Strategic Planning Emphasis – Organizational Structure, Workforce Resources, and Internet Gateway

Due to staff focus on other matters and uncertainty about the status of withdrawing members, Mr. Morgan has not yet prepared recommendations to the Executive Committee for undertaking strategic planning. He anticipates more emphasis on strategic planning can occur during the next six months. A table listing the other known regional industrial facility authorities established in Virginia is included in the minutes of this meeting.

6. Old Business

a. Unanimous Approval of Allocation of $600,000 Excess Funds Distribution Plan

Included in the minutes of this meeting is the current summary of declaration of intent by all Authority members to consent to the proposed $600,000 Excess Funds Distribution Plan. All four member governments (Giles & Pulaski counties, the Town of Pearisburg, and the City of Radford) that placed conditions on the distribution plan have indicated support for the current plan. Mr. Morgan and Mr. Edwards attended the Pearisburg Council's Finance Committee meeting earlier in the week to discuss the Town's condition. Mr. Vittum advised the board that the Town Council removed their conditions on the distribution plan on January 10. Authorization was requested to implement the plan and distribute the excess funds accordingly.

Mr. Townsend asked for clarification of what manner of distribution localities requested for their funds as well as the exceptions that had since been removed by the four localities. Mr. Morgan replied that members would be receiving excess dues in a variety of ways, including additional Commerce Park shares, rebates and credit against future Authority dues. Mr. Morgan also stated that all conditions had been removed, which was confirmed by the representatives of the four respective member governments present at this January 12, meeting.

Mr. Morgan introduced Mr. Jim Guynn, legal counsel for the Authority. Mr. Guynn concurred that the well circulated notice of intent forms from all 15 member governments and adoption by 12 of 15 member governments that were in attendance at this January 12, 2011 Authority meeting will satisfy the requirements of the organizational documents, including the organizational agreement, by-laws and authorizing legislation in the Code of Virginia.

Motion: Mr. Tripp moved the board authorize staff to implement the plan and distribute the excess funds accordingly. Mr. Helms seconded the motion.

Action: The motion passed unanimously on a roll call vote with representation present from the counties of Craig, Giles, Montgomery, Pulaski, and Roanoke; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

7. New Business

a. Report from Participation Committee(s):

i. Commerce Park

Included in the records of this meeting are the Commerce Park Participation Committee meeting minutes from August 11 and November 10. The board is requested to consent to the actions listed below of the Commerce Park Participation Committee since the last meeting of the Authority.

a) Participation Agreement Recording

Authority Attorney Jim Guynn reported on the progress of documenting the adoption of Amendment #2 to the Participation Agreement by recording with the Circuit Court Clerk of Pulaski County as the participation committee's previous agreement and amendments were recorded. Mr. Townsend asked that copies of the executed agreement be sent to localities.

b) Boundary Adjustments' Completion

Attorney Guynn also reported on options for completion of the boundary adjustments for the New Dublin Presbyterian Church buffer and the NRV Airport entrance road parcel swap, in case Rural Development does not approve the proposed boundary change documentation prepared by Mr. Guynn. If obtaining the RD consent is too cumbersome, an option arrangement might achieve the boundary change buffer and swap purposes.

Mr. Morgan said he is still waiting to hear if the proposal will be accepted by Rural Development. Mr. Hamilton noted the airport has already provided five acres in the exchange and this transfer/boundary adjustment is to give them the delineated five acres to complete the exchange.

Motion: Mr. Townsend moved the board consent to the boundary adjustment and land exchange, pending Rural Development's approval of these land transfers. Mr. Huber seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

c) Water and Sewer Capacity Reserve

Consent to establish the appropriate reserve funding was requested, depending on the availability of excess dues from VA1st, surplus land sale proceeds or other reserve funding source.

Motion: Mr. Edwards moved the board consent to establishment of appropriate reserve funding for the Commerce Park water and sewer project. Mr. McKlarney seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

d) Surplus Property Sale by Listing or Auction

Consent is requested for continued engagement of Woltz and Associates for either sale under a listing agreement or by auction on terms agreeable to the Commerce Park Participation Committee, once lender consent to surplus property sale is received. Currently, Rural Development objects to the sale of the surplus property. The Authority's attorney and previous bond counsel disagree with Rural Development's interpretation regarding whether restrictions exist that would allow Rural Development to arbitrarily prevent sale and release of any and all of the Commerce Park real estate as long as the fair market appraisal requirements are met and such appraised value is applied to any outstanding loan principal. Mr. Morgan requested the board authorize a renewal of the listing or auction agreement with Woltz.

Mr. McKlarney asked if Rural Development's objection is from the Richmond or the local area office of Rural Development. Mr. Morgan stated his understanding that the objection comes from the local area office after consultation with the Richmond state office, as reported by correspondence from Travis Jackson of the local area office. Mr. Morgan also understands legal counsel in the Atlanta Rural Development office will make a final determination. Mr. Morgan has discussed the issue with Ms. Alley of the local area office in Wytheville and believes Rural

Development may have some confusion on the lease or sale of property for industrial lots and the sale of any surplus property. The Authority's attorney does not see a distinction between property designated for industrial development and surplus / buffer property but some representatives of Rural Development do apparently make such distinction.

Motion: Irving moved the board consent to authorization of a renewal of the listing or auction agreement with Woltz and Associates. Mr. Meadows seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

e) Agricultural and Residential Lease Renewals

Confirmation was requested of renewal of the existing agricultural leases by Dale Flory, Guthrie Farms and Dalton Farms, as well as the residential leases of Lisa Rice and Steve Crockett. The Rice lease is effective as of November 2010 at a rent of $6,000 per year. The Crockett lease waives rent in return for grounds maintenance and building monitoring for the Mebane House.

Motion: Mr. Parker moved the board confirm renewal of the agricultural and residential leases for 2011. Mr. Welker seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

b. NRV Wireless Authority

NRV Planning District Executive Director Kevin Byrd updated the board on the project. Funding has been awarded for the broadband project, and Radford and Christiansburg have been invited to participate. The wireless authority expects their responses by February. The project has changed from the initial application -- Citizens Telephone Cooperative is leading the project and the wireless authority is secondary at request of the National Telecommunications and Information Administration (NTIA). Citizens expanded the project scope to expand the network from Wytheville to Roanoke and Botetourt counties. The project will include public schools, community colleges and universities, hospitals, and government facilities in the project area. Funding sources include the Virginia Tobacco Commission and the wireless authority in addition to the NTIA grant. The network will be owned by Citizens with lower rates available to authority owners and a range of rates for other categories. Construction is expected begin in the spring of 2011. The project is now in an environmental review. Thompson and Litton engineers were recently awarded the engineering contract for project.

c. Member Withdrawal Requests

As allowed by legislative amendment effective on July 1, 2010, four Virginia's First Regional Industrial Facility Authority (VA1st) member governments have indicated plans to withdraw, as provided in 1950 Code of Virginia Section 15.2-6415. Withdrawal is allowed upon resolution of the governing body of the withdrawing member and approval by a majority of the remaining members, subject to satisfaction of any outstanding obligations. Authorization of withdrawal was

recommended upon consent of a majority of the VA1st member governments to the satisfaction of the legal counsel of the Authority and legal counsel of the withdrawing member. Such consent could be by vote of the VA1st Board members representing a majority of the remaining VA1st member governments and/or by ratification of the withdrawal by a majority of the governing bodies of the remaining VA1st member governments, as legal counsel directs.

Mr. Morgan noted that Craig County and Roanoke County are considering withdrawal and the Town of Narrows' and the City of Salem's governing bodies have passed resolutions requesting withdrawal of their membership in the authority.

i. Submitted by Town of Narrows & City of Salem

Included in the minutes of this meeting are the resolutions from the Town of Narrows and City of Salem councils seeking withdrawal. Approval of withdrawal was recommended by the Executive Director. Since the excess dues plan distribution was approved previously in this meeting, withdrawal was recommended conditioned on the Town's acceptance of $32,500 as its excess dues allocation, which deducts $7,500 of dues understood to be in arrears from the $40,000 per member excess dues allocation, and likewise the City's acceptance of $35,000 as its excess dues allocation, which deducts the $5,000 unpaid FY11 dues. If the excess dues plan had not been approved, withdrawal was recommended without any payment to the Town and City, but with request for both to bring their dues payment current through June 30, 2011.

The next order of business stated was for the Authority's Board of Directors to act on the resolutions presented, followed either by ratification or denial of the withdrawal request by remaining members. Mr. Morgan suggested sending localities notice of the board's action and requesting approval from members' governing bodies, and when the majority approve, withdrawal would be complete.

Mr. Townsend asked if it is necessary for localities' legislative body to approve or if it is adequate for the executive/administrator to approve the board action. Mr. Morgan suggested sending notice and see what response is received. Mr. Townsend stated some uncertainty whether this issue is appropriate to put before his council (i.e., is it a large enough issue to warrant the consultation required) and thinks it is not necessarily for his council.

Mr. McKlarney asked if it is necessary to even put the question before the Authority Board; if the locality is meeting the intent of the Code of Virginia, does the Board still need to vote on it? Mr. Morgan and Mr. Guynn replied that meeting the Code means a member is allowed to request withdrawal through a resolution and seek approval by the Authority Board. Mr. Guynn stated the Authority Board's approval of the withdrawal is required.

Mr. Hamilton, of Montgomery County, asked would the Board want to let a member withdraw without a proper buyout. This requirement for meeting obligations is more complex for Commerce Park members than for non-Commerce Park members, such as Salem and Narrows. Mr. Welker noted the Code requires two years' dues to be paid by a withdrawing member. Mr. Morgan agreed the Code does suggest two years dues be paid upon withdrawal, but recommended just one year of dues as an allowable negotiation.

Ms. Biggs asked for clarification if the Board's action needs to go to member governments for approval. Upon consultation between Mr. Morgan and Mr. Guynn it appears to be in order for the Authority Board to decide without consulting their local governing bodies.

Mr. Wingfield suggested requiring payment of current year's dues. Mr. Morgan asked if any withdrawing members had concerns of the withdrawal terms. Mr. Tripp said Salem has none. Mr. Townsend pointed out the Narrows and Salem resolutions restate the terms laid out in the Code of Virginia.

Motion: Mr. Welker moved the Town of Narrows and City of Salem be authorized to withdraw from the Authority with payment of accumulated declared excess dues, minus the current and the next years' dues and any outstanding dues in arrears. Mr. Tripp seconded the motion.

Action: The motion passed unanimously on a roll call vote with representation from Craig, Giles, Montgomery, Pulaski, and Roanoke counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland and Wythe counties and the Town of Narrows were absent.

Based on the above adopted action, the payment upon withdrawal to Narrows is calculated at $27,500 ($40,000 excess dues, less $5,000 dues for FY 12 and $7,500 dues in arrears) and $30,000 for Salem ($40,000 excess dues, less $5,000 dues for FY11 and $5,000 dues for FY12).

ii. Anticipated from Craig County and Roanoke County

Since Craig and Roanoke counties are also Commerce Park Participation Committee (CPPC) members, it was recommended that withdrawal be conditioned on advance payment of their proportionate share of Commerce Park debt. An alternate to full withdrawal is assumption of passive status by these counties, should Commerce Park lenders not consent to withdrawal from the CPPC or make an immediate claim on the advance payments ahead of the current debt service schedule. Passive status might not require participation at VA1st or CPPC meetings or further contribution to VA1st or CPPC operating costs beyond the fiscal year in which withdrawal is completed. For both counties, it is anticipated the counties will retain ownership of shares of equity in the Commerce Park project.

Mr. Chittum stated the Roanoke County Board of Supervisors held a discussion on withdrawal and concluded they would like to find a way to pay out and withdraw from an active status with the Commerce Park. Mr. Chittum noted paying out would remove equity, which is a concern for Roanoke County. They would rather continue debt service obligation and retain some ownership. Roanoke County would consider that option rather than outright withdrawal. No immediate decision was required.

Mr. Townsend asked if the payout would be prepaying debt service and what would be the obligations of passive membership. Mr. Morgan responded it is anticipated passive status would include no more annual costs, no meeting and decision-making participation, and pre-payment of debt obligations. Another option is a technical failure to pay shares fees on time, which would be a forfeiture of those shares (which forfeited shares would be divided among remaining owners). However, after forfeiture, some contingent equity arrangement could be pledged to the withdrawing member by the remaining members.

Mr. Chittum asked if the locality desiring to withdraw or assume a passive status should bring a proposal to board for consideration. Mr. Townsend suggested that would be appropriate within his understanding of the parameters.

Mr. Polen stated he anticipates Craig County following along with Roanoke County's approach. Mr. Morgan stated he has had no further discussion with other Craig County representatives to report since the November Commerce Park Participation Committee meeting, when he reported on his October meeting with the Craig County Board of Supervisors.

Mr. Huber suggested letting the asset value cover a member's share of operational costs until the asset value has declined to zero. Ms. Biggs asked if this concept should be reserved for further consideration. Mr. Morgan stated withdrawal and passive status options are being worked on at a staff level and he will continue to get related input from the Executive Committee. Mr. Hamilton asked what the operating costs are for Commerce Park and Mr. Morgan outlined the current costs. Mr. Townsend asked if the payout would include only debt service or also operating costs as well. Mr. Morgan stated the Code of Virginia only says obligations without further definition, so the extent of obligations is open to determination by the Participation Committee. If too many members left, then operating costs would become a larger burden to remaining members. Mr. Edwards asked about Wythe County's obligations. Mr. Morgan noted they are paid up and that the Wythe County administrator has expressed interest in staying in as a vehicle for future opportunities, those this has not been discussed by his board. Wythe County is not a Commerce Park Participation Committee member.

d. Basic Administrative Service Level

Based on actual expense for FY10 and the first half of FY11, it appears the basic cost of VA1st administrative services is less than budgeted. Payments to the NRV Planning District Commission (PDC) have averaged $543.87 per month, with $1,288.42 per month budgeted. Payments to Joe Morgan as executive director have averaged $712.72 per month, with $700 budgeted. For planning purposes it is recommended that total budgeted administration in the future be $1,400 per month, about $600 per month less than the current budget. It is also recommended a memorandum of understanding be developed with the PDC for continued basic administrative support services through FY12. This recommendation is made assuming VA1st expects no increased service demand for basic administrative support services. If special project assistance is needed, it is likely the PDC will be able to provide services on a project budget basis, as was the case with the one million gallon per day water and sewer capacity expansion administration provided to the Pulaski County Public Service Authority for a lump sum of $55,000.

Motion: Mr. Parker moved the board approve adjustments to administrative costs for future budget planning as requested above. Mr. Polen seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, and Pulaski counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Roanoke and Wythe counties and the Town of Narrows were absent.

e. FY 12 Budget Preparation

Included in the minutes of this meeting are the submissions for regional agency budget review by Giles, Montgomery, Pulaski counties and Radford City. No change is recommended in the upcoming FY 2011-12 overall contribution requests to member governments from previous fiscal years. All VA1st member governments would be billed $5,000 for dues. All Commerce Park Participation Committee member governments would be billed $2.75 per share of Commerce Park ownership. The anticipated changes in Authority membership may result in less dues revenue for VA1st. The Commerce Park water and sewer expansion reserve requirement and debt restructuring may result in shifting expenditures, particularly reduced administrative expense. However, there are no plans for requesting any increase in either VA1st annual dues or the $2.75 per share Commerce Park expense allocation. Authorization is requested to notify member governments to anticipate level funding in revenue requests for FY 2011-12. Mr. Morgan suggested continuing to deal with any future excess funds from future dues be dealt with through excess dues distribution.

Motion: Mr. Irvin moved member governments be advised annual dues for the upcoming fiscal year ending June 30, 2012 be $5,000 per member and that Commerce Park Participation Committee contributions remain at $2.75 for each share held as of 2010. Mr. Helms seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, and Pulaski counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Roanoke and Wythe counties and the Town of Narrows were absent.

f. Confirmation of Authority Chair for 2010 per Code of Virginia 15.2-6403D

VA1st Chair Mary Biggs was elected to serve through FY 12; however the Code of Virginia requires annual confirmation of the election of the chair of regional industrial facility authorities.

Motion: Mr. Parker moved the board confirm the election of the authority officers. Mr. McKlarney seconded the motion.

Action: The motion passed unanimously with representation from Craig, Giles, Montgomery, and Pulaski counties; cities of Radford, Roanoke, Salem; and towns of Christiansburg, Dublin, Pearisburg and Pulaski. Bland, Roanoke and Wythe counties and the Town of Narrows were absent.

g. Other Reports and Business

Mr. Morgan's availability to the authority after June will be limited to hours and income based on restrictions for those receiving Social Security retirement. He stated there is no clear path to arrangements for future administration at this point, and offered to continue to serve the authority past his Social Security retirement eligibility to the extent desired by the Authority board.

Mr. Meadows expressed appreciation for Mr. Morgan's efforts so far and Ms. Biggs supported those comments.

8. Closed Session (if needed)

No closed session was held.

9. Other Business

No other business was brought before the board.

10. Adjournment

Motion: Mr. Helms moved the meeting be adjourned. Mr. Welker seconded the motion.

Action: The motion carried unanimously.

With no further business to discuss, the meeting adjourned at 5: 45 pm. The next scheduled meeting of the Authority will be held on July 13, 2011, with the time and location to be announced. The next Commerce Park meeting will be on Wednesday, February 9, 2011, Wednesday, April 13, 2011 or in conjunction with a ground breaking ceremony for the water and sewer expansion construction

In the interim the Executive Committee will advise staff on any matters needing action and appropriate reporting will be made to the membership.

Respectfully Submitted, Approved by,

Joseph N. Morgan, Executive Director Barry Helms, Secretary / Treasurer

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Attendance

January 12, 2011
New River Competitiveness Center
Radford, VA

Jurisdiction	Member	Alternate
Bland County	( ) Nick Asbury () Henry M. Blessing	() Eric Workman
Craig County	(x) Jay Polen	
Giles County	(x) Chris McKlarney () Richard McCoy	
Montgomery	(x) Craig Meadows (x) Mary Biggs	() Carol Edmonds (x) Brian Hamilton
Pulaski County	(x) Shawn Utt (x) Peter Huber	( ) Joe Sheffey ( ) Ronnie Coake
Roanoke County	() Charlotte Moore (x) Douglas Chittum	() Butch Church () Jill Loope
Wythe County	() Bucky Sharitz () Martha P. Umberger	
City of Radford	( ) Tim Cox (x) Basil Edwards	
City of Roanoke	() Bill Bestpitch (x) Brian Townsend	() Anita Price
City of Salem	() John Givens (x) Benjamin Tripp	
Town of Christiansburg	(x) Randy Wingfield (x) Barry Helms	
Town of Dublin	(x) Bill Parker (x) Doug Irvin	
Town of Narrows	() Clayton Davis () Buddy Kast	
Town of Pearisburg	( ) Brad Jones (x) Ken Vittum	
Town of Pulaski	(x) Morgan Welker (x) John Hawley	(x) John White

Others Present: Deborah Flippo, Aric Bopp, Jim Guynn, Janet Flory

Staff Present: Joe Morgan, Christy Straight, Kevin Byrd

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

Adopted 4-08-09 and Updated 7/6/11

	TASK	CURRENT STATUS *Completed Items Shown in Italics*	TIMING	STAFF ASSIGNED
GOVERNANCE				
Board of Directors	Continue coordinating with member local governments, including FOI, COI, Financial and other required disclosures	*Staggered terms expire June 30, 2010 & 2012*	January 2011&12 and July 2012	Straight / Morgan
Officers	Chairman to continue appointing nominating committee 4 - 6 months prior to end of terms	*Elected forf 2010-12* - but need annual confirmation of Chair in January per 15/2-6403D	January 2011	Straight / Morgan
Executive Committee	Include officers and 2 at large members with authority to act on behalf of the Board of Directors in between meetings with actions to be ratified by the full board at the next succeeding board meeting.	*Mary Biggs, Chair - Ken Vittum, Vice-Chair - Barry Helms, Secretary Treasurer - Doug Chittum and John Hawley, Members*	Re-Elect Officers Jan - July 2012	Current Staff
Executive Director	Designate Joe Morgan Executive Director on contract basis April 2009 to June 2011 OR Continue service of PDC Executive Director OR Engage alternate candidate	*Joe Morgan engaged*	Through July 2011	
MEETINGS	Use semi-annual scheduled meetings, with called meetings if needed	*Semi-annual meetings scheduled for 7/8/09, 1/13/10, 7/14/10, 1/12/11, & 7/13/11*	*Scheduled*	
MEMBERSHIP				
Periodic Updates	Add annual update by Executive Director to Member CAO or Governing Body, as best suits each member government	*All members receive Annual Report and offer for Executive Direcgtor to meet with appropriate representatives*	July 2009 to December 2012	Morgan
Additions / Withdrawals	VA 1st members to consider membership change arrangements, including legislation, that would allow amicable membership changes	*Approved in 2010 Acts of Assembly Ch. 531 amending 15.2-6415*	As Desired by Member Governments	Morgan
ADMINISTRATION				
Executive Director	Transfer to Permanent Executive Director with PDC Executive Director as Advisor	*Completed*	Through July 2011	Morgan
Financial Accounting	Retain at NRV PDC	*NRV PDC Maintains*	Through July 2011	McNew / Morgan
Record Keeping	Retain at NRV PDC with remote laptop access	*PDC Maintains*	Through July 2011	Straight / Morgan
Office / Meeting Space	Retain at NRV PDC as well as use of Morgan home office	*Completed*	Through July 2011	Morgan

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

Adopted 4-08-09 and Updated 7/6/11

	TASK	CURRENT STATUS *Completed Items Shown in Italics*	TIMING	STAFF ASSIGNED
ADMINISTRATION (Continued)				
Communications				
Agendas	Retain at NRV PDC, with notebook format available for each member that includes Program of Work, minutes, staff reports, etc.	*PDF versions posted on NRV PDC webpage*	Through July 2011	Straight / Morgan
Correspondence	Retain at NRV PDC	*PDC Maintains*		
Telephone	Use PDC landline and cell/PDA for Ex Dir	*PDC Maintains*		Gilbertson/ Morgan
E-mail	Use PDC mail server and wireless PDA for Ex Dir	*PDC Maintains*		Gilbertson/ Morgan
Records Management	Review all VA1st records, purging obselete information, creating digital versions of key documents and archiving permanent records	Implement through Memorandum of Understanding with PDC	2011-12	Straight / Morgan
Internet	Update VA 1st Website	Include in Strategic Planning	2011-12	Gilbertson/ Morgan
PROFESSIONAL SERVICES				
Legal Counsel	Update procurement	Jim Guynn	2011-12	Morgan
Financial Auditor	Update procurement	Robinson, Farmer, Cox	2011-12	Morgan
Engineering	Update procurement	Draper-Aden / Anderson&Assoc	2011-12	Morgan
STRATEGIC PLANNING				
Regional Economic Development Needs	Emphasis on current regional workforce strengths and regional site development opportunities	Consider after Commerce Park Strategic Planning	2011-12	Morgan
Regional Economic Development Opportunities	Explore opportunities for investment and revenue sharing for all VA 1st members through new participation committees	Consider after Commerce Park Strategic Planning	2011-12	Morgan
Frequency	Initial 2 year cycle of review and re-adoption	Consider after Commerce Park Strategic Planning	2011-12	Morgan
FINANCE				
Dues	Reassess long term requirements	*$1,500 - $2,500 adequate - remainder to accrue to excess funds*	2011	Morgan
Banking	Update procurement	Coordinated through NRV PDC	2011-12	Morgan
Use of Reserve				
Proposed Regional Economic Development Grant and Loan Program	Revisit as a mechanism to insure all VA 1st members have access to VA 1st resources	*$600,000 available as members unanimously agree for varying use of each member's $40,000 share*	2011	Morgan
Support of Participation Committees	Consider equitable policy to allow access without restricting non-participating members		2011	Morgan
Budgeting	Assign to Executive Director	*FY 2012 Budget approval due by July 13, 2011*	2011	Morgan

Adopted 4-08-09 and Updated 7/6/11	**TASK**	**CURRENT STATUS** *Completed Items Shown in Italics*	**TIMING**	**STAFF ASSIGNED**
OTHER POTENTIAL PARTICIPATION COMMITTEES				
Project NEEMO				
Prospectus Development	Suggest Commerce Park role in Project NEEMO, including WWTP site, land dedication & equity share	*On hold pending further statement of interest in VA1st involvement*	2011	Morgan
Participation Committee Organization	Offer assistance in establishing an administration and financial structure	*On hold pending further statement of interest in VA1st involvement*	2011	Morgan
Project Implementation	Assist with program of work development as recommended by VA Tech Office of Economic Development	*On hold pending further statement of interest in VA1st involvement*	2011	Morgan
NRV Competitiveness Center	Assist with defining options and implementing restructuring	*On hold pending further statement of interest in VA1st involvement*	2011	Morgan
NRV Wireless Authority	Offer assistance with developing participation committee and serve as applicant for broadband funding through National Telecommunication and Information Agency (NTIA)	*Pending Federal funding approval and coordination by Citizen's Telecommunications - No further direct involvement by VA1st required*	2011	Morgan
COMMUNITY RELATIONS				
For Virginia 1st Authority and Participation Committees				
Recognition of Past Leadership	Schedule an opportunity to express appreciation for Board and staff service	*Celebrated service of former Executive Director David Rundgren in summer - fall of 2009* - Consider involving past leaders in strategic planning	2011-12	Morgan
Publication of History, Achievement & Goals	A concise description of the VA 1st achievements and future goals should be readily available to stakeholders and the general public	Update presented at March 2011 NRV Economic Development Alliance Quarterly Investors Meeting	2009-11	Morgan

Virginia's First Regional Industrial Facility Authority

Proposed Budget July 2011 - June 2012	FY 2011 Adopted	FY 2012 Proposed
Contracted Administration		
PDC Memo of Understanding	$8,926	$7,000
Consulting – Joe Morgan	$6,000	$6,000
Transportation - Travel	$2,400	$2,400
	$17,326	$15,400
Administration Expenses		
Office Space	$824	$0
Telephone	$50	$50
Office Supplies	$100	$100
Postage	$352	$352
Copies	$400	$400
Media / Advertising	$300	$300
Insurance	$550	$550
Miscellaneous	$500	$500
	$3,076	$2,252
Project Development	$0	$0
Professional Services		
Legal	$4,000	$4,000
Audit	$2,100	$2,100
	$6,100	$6,100
Total Expense	$26,502	$23,752
Anticipated Income		
Member Dues @ $5,000	$75,000	$75,000
Interest	$5,000	$5,000
Total Income	$80,000	$80,000
Balance -deficit	**$53,498**	**$56,248**

New River Valley Commerce Park
Draft Proposed Budget
July 2011 - June 2012

	FY 2011 Adopted	FY 2011 Adpopted Categories	FY 2012 Adopted	FY 2012 Adopted Categories
Contracted Administration:		$43,360		$32,400
PDC Memorandum of Understanding	$22,960		$18,000	
Consulting Management - Joe Morgai	$18,000		$12,000	
Travel / Per Diem	$2,400		$2,400	
Administration Expenses		$6,535		$4,052
Office Space	$3,683		$0	
Telephone / Internet	$1,200		$2,400	
Office Supplies	$400		$400	
Postage	$352		$352	
Printing	$400		$400	
Copies				
Media Adv.	$500		$500	
Participation Committee Expensss	$1,500	$1,500	$1,500	$1,500
Project Development				
Strategic Site Development and Marketing				
Utility Extension - $55,000 per year starting FY 2013				
Professional Services		$4,600		$4,600
Legal	$2,000		$2,000	
Audit Fee	$1,600		$1,600	
Engineering				
Other Professional Fees	$1,000		$1,000	
Site Manitenance		$17,900		$6,800
Miscellaneous	$3,000		$3,000	
Equip Rental				
Equip Maint.	$1,000		$1,000	
Materials/supplies	$1,000		$1,000	
Insurance	$4,300		$1,200	
Utilities	$600		$600	
Environmental (Well Monitoring, etc.)	$8,000		$0	
Equipment Depreciation				
Capital Outlay		$0		$0
Contractual Service				
Contractual Service	$30,000		$0	
Recruitment				
Total Operational Expenses	$103,895	$73,895	$49,352	$49,352
Debt Service:		$356,525		$356,308
Revenue Bond 40 Yr	$119,448		$119,448	
Revenue Bond 40 Yr	$123,096		$123,096	
Bank Loan 20 Yr	$113,981		$113,764	
	$356,525		$356,308	
Total Expenses	$460,420	$430,420	$405,660	$405,660

	FY 2011 Proposed	FY 2011 Proposed Categories	FY 2012 Proposed	FY 2012 Proposed Categories
Participant Shares				
Bland County	$5,900		$5,900	
Craig County	$5,844		$5,844	
Giles County	$55,851		$55,851	
Montgomery County	$55,851		$55,851	
Pulaski County	$180,172		$180,172	
Roanoke County	$29,255		$29,255	
City of Radford	$23,258		$23,258	
City of Roanoke	$27,500		$27,500	
Town of Dublin	$2,968		$2,968	
Town of Pearisburg	$5,900		$5,900	
Town of Pulaski	$20,001		$20,001	
Subtotal Shares	$412,500	$412,500	$412,500	$412,500
Interest (Estimated)	$5,000	$5,000	$5,000	$5,000
Land and Building Leases	$ 15,807	$15,807	$ 15,807	$15,807
Total Estimated Income	$433,307	$433,307	$433,307	$433,307
Transfer from fund balance	$30,000.00		$0.00	
Balance -deficit	$2,887	$2,887	$27,647	$27,647

Memorandum of Understanding between Virginia's First Regional Industrial Facility Authority and New River Valley Planning District Commission

1. Agreement:

This Memorandum of Understanding is issued pursuant to the terms and conditions of this agreement the New River Valley Planning District Commission, hereinafter referred to as the "PDC" and the Virginia's First Regional Industrial Facility Authority, hereinafter referred to as the "Authority" is to be effective **July 1, 2011.**

2. Scope of Service

The PDC agrees to provide the services set forth below to the Authority, and to do so in accordance with all terms and conditions set forth in this agreement.

The PDC agrees to do the following baseline activities in support of the authority's board:

- Meeting support
- Bookkeeping
- Recordkeeping
- Economic development community: networking assistance
- Marketing materials (brochure; investor materials; publication of history, goals, and achievements)
- Economic development community: presentations assistance
- Potential participation committees
- Strategic planning: research
- Project assistance (grant writing, etc)

The PDC agrees to do the following baseline activities in support of the authority's Commerce Park Participation Committee:

- Property management: tenant assistance, maintenance, leases (day to day)
- Property management: assistance with oversight, negotiations
- Meeting support
- Bookkeeping
- Recordkeeping
- Economic development community: networking assistance
- Prospects (proposals, site visits) 4 initial responses per year (support for additional responses can be provided through addendum to the MOU)
- Business plan staff support/development role
- Presentation mapping
- Marketing materials (brochure; investor materials; publication of history, goals, and achievements)
- Economic development community: presentations assistance

- Due diligence for site development (additional support can be provided through addendum to the MOU)
  - Broadband fiber to Commerce Park for last mile access
  - Electric transmission line extension route and financing planning
  - Rail access corridor planning
- Project assistance (grant writing, etc)
- Strategic planning: research

3. Add-on Services

The scope above is considered a baseline service. The Authority, its Executive Committee, or the Commerce Park Participation Committee may elect to authorize additional services and support from the PDC. In such cases, the Authority and the PDC will negotiate a fee and scope through addendum to this MOU for the specified services – which may include prospect marketing support above 4 initial responses and follow-up beyond initial inquiry, project support for site development, and other services deemed appropriate.

4. Period of Performance

The PDC agrees to commence performance of the activities called for herein, in compliance with the terms and conditions of this agreement, on the date set forth above and agrees to complete performance for the fiscal year beginning July 1, 2011 and ending June 30, 2012.

5. Cost of Service

The Authority agrees to pay the PDC a fee not to exceed **$25,000.00** and allocated as follows: $7,000.00 for Virginia's First board services and $18,000.00 for Commerce Park Participation Committee services as identified in section 2. This will constitute full and complete payment for the PDC'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 PDC's requisition for the payment. Such requisition shall specify that the PDC has performed the work specified in conformance with the terms and conditions of this agreement, and that the PDC is entitled to receive the amount requisitioned under the terms and conditions of this agreement. Requisitions shall normally be requested monthly.

6. 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 PDC hereunder exceed the maximum sum of **$25,000.00** unless authorized by addendum to this MOU. It is further understood that the PDC will request payment for only those costs that are incurred by the PDC in the fulfillment of the work responsibilities outlined herein. Specifically, if the PDC is able to fulfill its obligations with actual costs less than **$25,000.00,** the Authority will retain the difference.

7. Ownership and Status of Documents

1. All project documents produced under this Agreement become the property of the Authority upon the completion. The PDC is entitled to permanently retain appropriate copies of all project documents for reference purposes.
2. Any reports, information, data, etc., given to, prepared or assembled by the PDC under this Agreement shall be kept confidential by the PDC until released or approved for release by the Authority.

8. Amendment and Termination

This Memorandum of Understanding may be amended or terminated at any time by written agreement between Virginia's First Regional Industrial Facility Authority and the New River Valley Planning District Commission and shall be subject to renegotiation if such amendment results in a change in the scope of services, compensation, and method of payment.

Accepted for the New River Valley Planning District Commission	Accepted for the Virginia's First Regional Industrial Facility Authority
Signature:_____	Signature:_____
Title: _____	Title: _____
Date: _____	Date: _____

JOSEPH N. (JOE) MORGAN

Nansemond on the Bay
100 East Ocean View Avenue, Unit 803
Norfolk, Virginia 23503

July 5, 2011

To: Executive Committees for Virginia's First Regional Industrial Facility Authority &
New River Valley Commerce Park Participation Committee
From: Joseph (Joe) N. Morgan
Subject: Memorandum of Engagement for Continuation of Consulting Services for Executive Director

I appreciate the opportunity to have served Virginia's First over the past two and a half years as the Authority continues to offer regional economic development solutions for the greater Roanoke and New River Valley region. I propose to continue my services as indicated in this memorandum of engagement.

I understand I am being engaged through the Authority's annual meeting of the 2014-15 fiscal year, which engagement may be terminated by either the Authority or me, upon sixty days notice.

I understand the scope of services desired is to coordinate an? administration for the Authority and the current or future Participation Committees, as follows:

- For the Authority:
  - Reporting to member local governments;
  - Contact point for Authority administration and budget preparation;
  - Budget implementation following Authority adoption;
  - Liaison with regional, state and federal governmental and economic development entities; and
  - Strategic planning to confirm the ongoing Authority mission, membership and investment.
- For the Commerce Park Participation Committee:
  - Site development coordination, including:
    - Utility extension, funded through the U.S. Economic Development Administration and Pulaski County Public Service Authority;
    - Other infrastructure enhancements, including electrical power upgrade and roadway extensions;
    - Surplus property disposition;
    - Overall site maintenance; and
    - Assistance to Commerce Park tenants.
  - Marketing coordination through local, regional and state-wide economic development entities;
  - Budget preparation, submission to Participation Committee for adoption and budget implementation; and
  - Strategic planning coordination.

- For other current or future participating committees:
    - Strategic planning for project development;
    - Definition of services to be provided each committee; and
    - Site development coordination, particularly if projects are located within the Commerce Park.

I understand the current concept of the proposed administrative team, includes:

- Being led by me in the position of consulting executive director, as allowed by Code of Virginia Section 15.2-6405 (2), reporting directly to the Authority Chairman and Commerce Park Participation Chairman; and
- Coordinating services with the staff of the New River Planning District, which is to provide administrative support through a separate memorandum of understanding.

I suggest my compensation be as follows:

- Compensation will be based on a minimum of thirty hours per month of my time at $1,500 per month for the above listed services as consulting executive director.
- Compensation will be paid in installments of $1,500 each, paid following submittal of time and expense accounting, which may be submitted in single or combined monthly billings, along with other bills paid by the Authority for the respective month(s);
- Where actual time served exceeds thirty hours in a given month, up to fifteen hours of that additional time over thirty hours per month may be credited as compensatory time for future months, with no reduction in base compensation for those months that compensatory time is used and with a limit of compensatory time to be accrued at sixty hours total.
- Should projects occur requiring more than forty-five hours per month of my time, either the chair of the Authority or the Participation Committee may authorize such additional engagement for compensation of $100 per hour for the first twenty additional hours, and $50 per hour for all additional hours required in any given month.

I will allocate my time between the Authority and Participation Committee, based on which is served. I expect the allocation to be ten hours per month to the Authority and twenty hours per month to the Participation Committee.

In addition to the compensation described above, based on $50 per hour, reimbursement or payment for expenses is requested based on the following:

- Mileage for travel on behalf of the Authority from and within the New River Valley at the current IRS allowed reimbursement rate for use of a personal vehicle (I would expect no compensation for personal travel between the New River Valley and my Norfolk, Virginia residence on those occasions when it will be appropriate for me to be present in the Authority service region.);
- Reimbursement for meals expense when traveling away from the New River Valley on Authority business;
- The cost of making electronic office equipment available to enhance my service to the Authority, including access to a laptop computer with wireless capability and a cellular phone combined with personal digital assistant (PDA).

- Lodging when travel is needed on behalf of the Authority outside the New River Valley. (I would not expect to be reimbursed for the expense of lodging in the New River Valley when I am working there on behalf of the Authority.); and
- Office and other miscellaneous expenses on behalf of the Authority. (At no expense to the Authority, I will provide a home office with high speed internet access, scanner, printer, etc. from which to perform those services to the Authority for which my physical presence is not required in the Authority service region. I expect the Authority member localities and Planning District Commissions serving the Authority members to make available temporary office and meeting space for the Authority external administrative team as needed at no expense to the Authority or me.)

I will submit a monthly summary of expenses and expect to be reimbursed for expenses following the month(s) in which expenses are incurred.

If these terms are acceptable, please acknowledge in the space provided below.

Sincerely,

Joseph N. Morgan

Accepted on behalf of Virginia's First Regional Industrial Facilities Authority by:

Mary Biggs, Chair, Authority Board of Directors

Date: _____

Basil Edwards, Chair, Commerce Park Participation Committee

Date: _____

2011 VIRGINIA
Building Collaborative Communities
PROJECT PLAN REQUEST

INSTRUCTIONS

Applicants must submit their completed Project Plan by 5 p.m. on July 27, 2011. Because of the time sensitive nature of this program, plans received after the July 27 deadline will not be considered.

An original and four copies should be submitted to:
Chris Thompson
Virginia Department of Housing and Community Development
600 East Main Street
Suite 300
Richmond, VA 23219

Questions can be directed to chris.thompson@dhcd.virginia.gov or Chris Thompson at 804-371-7056.

Introduction

Virginia's Secretary of Commerce and Trade has introduced a *Building Collaborative Communities* program designed to assist regions in creating and sustaining new economic opportunities across Virginia. The primary objective of this program is to promote regional economic collaborations in economically distressed areas that stimulate job-creation, economic development, and provide a significant return on State investment.

Selected projects will focus on and facilitate significant involvement from the private sector, economic development agencies, community organizations, educational institutions, nonprofits, local leaders and governmental officials. Investment and engagement from the local private industries will be a vital component of this program. Proposals are expected to target areas that do not have existing, regionally focused organizations, or those which have newly formed, emerging, regional entities.

Activities undertaken will be designed to identify and develop economic development strategies compatible to the target region and therefore will require significant input from a broad and diverse contingent of stakeholder groups. Emphasis will be placed on uncovering and leveraging of locally-based resources to promote sustainable development. Examples of appropriate proposal products include, but not limited to, strategies focusing on the growth of home-grown entrepreneurs and small businesses, development of specialized business sectors, workforce development, marketing efforts to attract private investment and job creation, or other actions as appropriate to the selected region. Ultimately, a clearly-articulated plan for developing and guiding regional economic development activities will be created.

Economic Development Through Capacity Building

Community capacity underpins and spurs economic development. Sustainable community and economic development does not come from the outside in, but rather, from the assets and leadership from within the community. Capable leadership is a key factor in a community's sustainable growth and economic development. Thus, it is imperative for communities to develop leaders with the capacity and commitment to help their communities survive and thrive. Developing ways to enhance and strengthen local leadership is necessary for distressed communities to compete in the knowledge-based economy. Human resources are the community's greatest asset in addressing sustainable economic development issues, and community and economic development initiatives are difficult to sustain without a constant source of strong and devoted leaders.

Regional Collaboration

In the global economy, regions must serve as the economic unit. Economic boundaries are not defined by political boundaries. Economic research shows that in areas around the country where localities work together cooperatively, economic competiveness is enhanced. Quality of life indicators such as income disparity between localities, area median income, and job creation are more positive in areas that interact on a regional level. Regional, community-based strategies that capitalize upon the unique assets of communities offer stronger opportunities for success and long-term sustainability. Location decisions made by businesses are based on a number of factors, ranging from quality of life, local amenities, supply chain availability, and workforce competency to name a few—low on the list of considerations, if at all, are geographical

boundaries. Collaborative efforts represent the best opportunity for economic growth and prosperity.

Building Collaborative Communities Guidelines

The Commonwealth has appropriated FY2012 funds $200,000 in support of this program. Additional assistance from other state agencies may be available. It is expected that not more than three proposals will be selected for funding. Applicants must provide thorough responses to the **Project Plan** outline by the July 27, 2011, deadline.

Eligible Applicants

It is important to keep in mind the intent of this program is to align and capitalize resources without regard to pre-existing boundaries. Applicants are expected to identify and establish regional partnerships that encompass logical, naturally-formed areas that are not bound by historically-established service or membership areas.

Eligible applicants may be units of local government, regional partnerships, planning district commissions, and economic development organizations. Applicants must be broad-based partnerships comprised of leaders from relevant organizations and stakeholder groups. It is not necessary for a formal structure to be in place at the time of application, instead, the organizational development of an entity can be proposed as an output of the project. Proposals should target areas that do not have existing, regionally focused organizations, or those that have newly formed, emerging, regional entities.

In order to be considered regional under this program an application must include a minimum of at least **two counties or one city and one county**. Applicants must identify the lead entity as part of the submission. Applicants are encouraged to "stretch" beyond the traditional comfort zone boundaries and target more localities than the minimum required **and** seek to create new partnerships and relationships.

Upfront collaboration and communication is imperative. Only one application per locality will be accepted. Multiple applications targeting the same locality will not be considered.

Potential Activities

Activities must be designed to strengthen the economic competitiveness of distressed areas through regional collaborations. Possible activities can include:

- Engaging in a strategic planning process to develop a viable economic development plan for the region. This process should include a broad and diverse base of community leadership such as private businesses, educational and civic leadership in addition to local government leaders.

- Developing a formal implementing structure to further previously identified strategies.

- Capacity-building activities such as organizational development and training, developing a mission statement, goals, and objectives, and developing management and operation plans.

- Identifying and recognizing place-based assets that could be used for economic development.

- Taking a realistic look at current strengths and weaknesses and be willing to address through joint action.

- Aligning economic prospects with labor market or other logical geographic definitions.

- Considering multifaceted and regional marketing efforts, quality business and industrial site availability, workforce development needs, support for small business and entrepreneurship and the availability of incentives.

- Promoting revenue sharing among the localities to encourage the joint regional development of infrastructure, sites and facilities and the sharing of resulting increased revenues across political boundaries.

- Supporting regional marketing and tourism initiatives.

- Providing incentives in the allocation of state funding formulas to encourage regional service provision.

- Focusing on both long term strategies and shorter term action steps with benchmarks for progress.

- Providing meaningful incentives to areas that address economic development needs and issues on a regional, rather than a local, basis.

- Developing a process to evaluate and measure the program impact.

- Identifying best practices and models from comparable regions.

Ineligible Activities
Activities not eligible for funding include:

- Duplication of ongoing or recent efforts.

- Use of funding as a substitute or replacement of other funding.

Distressed Areas
Economically challenged and depressed areas of the Commonwealth are targeted for participation. For purposes of this program, all submissions must include a unit of local government that has been classified as Distressed using the criteria described below.

The measures of ***Persons in Poverty, Median Income per Household,*** and ***Average Unemployment Rates*** have been used to assess the level of stress for all localities in the Commonwealth. Localities received two points for each factor in which they met Distressed levels, one point for each factor at Transitional levels, and no points for each factor at Competitive levels. Localities with 5 or more points are considered Distressed.

Persons in Poverty
(2009 Estimates, U.S. Census Bureau)

Distressed: 150% or greater than statewide figure (or 15.9% or higher)
Transitional: Greater than the statewide figure of 10.6% but less than 15.9%
Competitive: Equal to or less than statewide figure of 10.6%

Median Income per Household
(2009; U.S. Census data)

Distressed: 70% or less of statewide figure (or $41,560 or less)
Transitional: Less than the statewide figure of $59,372 but greater than $41,560
Competitive: Equal to or greater than statewide figure of $59,372

Average Unemployment Rates
2009 data; Virginia Employment Commission)

Distressed: 150% or greater than statewide figure (or 10.2% or higher)
Transitional: Greater than the statewide figure of 6.8% but less than 10.2%
Competitive: Less than or equal to statewide figure of 6.8%

In addition to the above criteria, localities classified as having *High Stress* per the Commission on Local Government's *Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities* will be considered as Distressed for purposes of this program.

Utilizing these measures, the following localities are classified as Distressed.

Bedford City	Hampton City	Petersburg City
Bristol City	Harrisonburg City	Pittsylvania County
Brunswick County	Henry County	Portsmouth City
Buchanan County	Hopewell City	Prince Edward County
Buckingham County	Lee County	Pulaski County
Buena Vista City	Lexington City	Radford City
Carroll County	Lunenburg County	Richmond City
Charlotte County	Lynchburg City	Richmond County
Covington City	Martinsville City	Roanoke City

Danville City	Mecklenburg County	Russell County
Dickenson County	Newport News City	Scott County
Emporia City	Norfolk City	Smyth County
Franklin City	Northampton County	Sussex County
Galax City	Norton City	Tazewell County
Grayson County	Nottoway County	Williamsburg City
Greensville County	Page County	Wise County
Halifax County	Patrick County	Wythe County

Award Thresholds
Up to three awards are anticipated to be awarded under the *Building Collaborative Communities* program. Applicants may request up to $100,000 per project.

Match Requirements
Matching funds equivalent to 50 percent of the requested *Building Collaborative Communities* program funds must be committed. This includes a local minimum **cash** match requirement of at **least 25 percent**. The balance of matching funds may include sources such as State, local, and private resources. Documentable in-kind matching funds are acceptable.

Any matching funds must be available to be used as necessary for completion of tasks under this program. Activities already underway that can be specifically attributable to supporting the project may be proposed; however, there must be a clear linkage to support this claim in the proposal.

Note the 50 percent overall match and the 25 percent local cash match is the *minimum* required. The availability of leverage funds will be considered in the evaluation of proposals, and those documenting the commitment of more than the minimum will receive higher consideration.

Period of Performance
Proposals are due by July 27, 2011. Selected applicants should anticipate award notification by late-August, 2011. Project activities should be slated to begin by mid-September, 2011. Applicants should expect to complete all activities within a 12-month period.

Entrepreneurship and Workforce Development and Investment Promotion
Applicants are expected to develop place-based economic development strategies to support sustainable economic development. While strategies may entail development of technology-based industrial and advanced manufacturing sectors, efforts focused on furthering the region's entrepreneurial foundation will also be viewed as equally important.

Small businesses and entrepreneurs account for the majority of job creation in today's economy. Communities need to recognize, foster, and capitalize these assets, using them as sparkplugs for community and economic growth. Local businesses, small business development centers, business member organizations, educational institutions, workforce boards, and economic development entities should be committed, active participants in this effort.

Proposals that include activities related to workforce development, including labor force assessments, identification of business and industry needs, development of workforce training or additional higher education curriculum development, and other related appropriate activities may be eligible for additional funding; a determination of the appropriateness and amount of additional funding will be assessed during the proposal evaluation.

Participation of State Resource Offices
This broad-based program will bring to bear resources from a number of state entities, including the Lieutenant Governor's Office, Department of Business Assistance, Virginia Tourism Corporation, Virginia Economic Development Partnership, the Department of Housing and Community Development, the Virginia Community College System, and other agencies as appropriate. It is anticipated that a Virginia Collaborative Communities Team, comprised of representatives from these agencies, will be deployed to provide technical assistance as needed. This team will be responsible for review and funding decisions.

Eligible Costs
Administration costs are limited to 5 percent of the total *Building Collaborative Communities* program funds. Typical administrative costs include: advertising, audit services, legal expenses, printing and postage, workshop expenses, and general project administration. The largest single administrative cost item is typically general project administration. An applicant may plan on administering its own project or may contract with a service provider.

Pay for Performance
Following the award of funds, grantees must prepare a project budget using a prescribed format. This budget must reflect current budget activities and funding sources (both *Building Collaborative Communities* program and leverage funds). All *Building Collaborative Communities* administrative costs are performance-based, i.e., costs are paid only after the attainment of pre-determined thresholds. These are negotiated between the Commonwealth and the successful grantee after the completion of the Project Management Plan (a management tool that enables the grantee and its partners to know where the project is going and how it will get there). The payment thresholds will outline the respective tasks and how much will be paid upon the completion of each task.

Management Team
The formation of a Project Management Team to oversee the project will be required. The Team is made up of stakeholders who have direct responsibility or oversight of specific activities necessary for the successful completion of the project.

Project Revisions
The Commonwealth reserves the right to negotiate terms of an award offer, to include changes to the amount of funding requested, restructuring of proposed activities, revisions to the suggested target area, and other changes as deemed necessary.

Projects viewed as a duplication of ongoing or recent efforts or that propose to use funding as a substitute or replacement of other funding will not be considered. Projects building upon previous efforts, such as implementation of recommended strategies, are eligible.

Project Priorities and Selection Criteria

Project Area Selection
Regional collaboration is at the core of this program. Proposals that seek to develop place-based strategies without regard to previously established geographical, political, or membership boundaries will receive the highest consideration. Target areas must also include at least one designated Distressed locality. Projects striving to "stretch" beyond the traditional comfort zone boundaries and target more localities than the minimum required, or which seek to create new partnerships and relationships, will be favored.

Project Needs and Outcomes
Proposals must clearly identify the underlying regional economic needs and assess the likelihood that activities can be completed and later implemented to ultimately lead to measurable long-term impact on the community. Proposals that can document the severity of existing conditions and the need for funding and technical assistance to engage in a collaborative, regionally based approach will be prioritized.

Readiness
Applicants should plan to initiate activities by mid-September, 2011 and complete all tasks within a 12-month period. Applicants should demonstrate that barriers to success have been identified, milestones and expectations are realistic and appropriate, and there is a strong rationale for why the undertaking of this program is timely and appropriate. Proposals that can be initiated immediately will be prioritized.

Stakeholder Involvement
Successful proposals will include the commitment of a broad and diverse base of stakeholders. Strong participation from private sector entities, including local industry and business, local leaders, government officials, educational institutions, appropriate membership organizations, economic developers, community sparkplugs, nonprofits, and others as necessary, is essential. Stakeholder involvement should include representatives from traditionally under-represented demographic groups in the collaborative region. Proposals that demonstrate a high degree of commitment and availability of stakeholders and partners will be given preference.

Commitment of Match Funds
Matching funds equivalent to 50 percent of the requested *Building Collaborative Communities* program funds must be committed. This includes a local minimum **cash** match requirement of at **least 25 percent**. Applicants documenting the availability more than the minimum will receive higher consideration.

BUILDING COLLABORATIVE COMMUNITIES PROGRAM
COVER SHEET

APPLICANT:

CHIEF OFFICIAL:

ADDRESS:

PHONE:

EMAIL:

PROJECT NAME:

PROJECT COST / LEVERAGING FUNDS:

Source	Amount	Percentage
Building Collaborative Communities Program	$	%
State	$	%
Federal	$	%
Private	$	%
Local	$_____	_____%
Total	**$**	**100%**

PREPARER:
Provide the name, phone number, and email address of the person who actually prepared this application.

CERTIFICATION AND SIGNATURE:

To the best of my knowledge and belief, information in this proposal is true and correct and the proposal has been duly authorized by the local governing body.

Name: _____ Title: _____

Signature: _____ Date: _____

Building Collaborative Communities Program Project Plan – Please Respond to the Following:

I. Region Overview

a. Provide a description of the region.

b. Which localities are included?

c. Which locality is classified as Distressed?

II. Region Selection

a. How was this region identified?

b. What steps were taken to define this region?

c. How is this a logically defined region? (i.e. common industrial/business clusters, similar assets, cultural similarities, etc…)

III. Describe the common / shared assets and traits.

IV. Historic Economic Development

a. What were the historic or original economic engines of the region?

b. What are the primary economic drivers of the region now?

V. Economic Climate

a. This program seeks to improve the economic well-being and future of declining and distressed regions—discuss the need for assistance.

b. Describe the overall economic health of the region?

c. What indicators illustrate and quantify the region's need? Are there severe conditions that have inhibited growth?

d. Are there events which can be cited as contributing to the decline?

VI. Region Workforce

a. Describe the quality and availability of the region's workforce.

b. Is there adequate training in place?

c. Are existing businesses/industries satisfied with the workforce competencies?

d. Does the workforce rate favorably compared to other regions?

e. Are there actions that should be undertaken to improve the quality of the workforce?

VII. Impediments

a. Discuss obstacles and impediments that have hampered the development of this region.

b. Have there been previous efforts, and if so, what resulted?

VIII. Readiness

a. Discuss why this is an appropriate time to undertake this project?

b. Briefly discuss your readiness to implement the project.

c. Identify any major remaining issues that could have a negative effect moving forward.

IX. Stakeholder Involvement

a. Provide a list of the key members of your project team, to include for each: Name, Title, Organization, Sector Represented, Qualifications.

b. Strong representation from a broad-based, diverse stakeholder group is essential…Have you secured the support and commitments from the key, necessary partners, and are these stakeholders representative of the targeted communities?

c. Are there any communities or stakeholder groups that have not agreed to participate?

X. Organization Structure

a. Provide background for the lead applicant?

b. Is this is a previously formed entity? If yes, briefly describe the history, accomplishments, staff, mission, and any other relevant organizational information.

c. Was the organization's membership a limiting factor in determining the localities that are participating, or was this expanded to include new localities / areas?

d. If this is a new entity, was this formed for purposes of this program? Is so, describe how this entity is envisioned to operate and support implementation of this program.

e. Who will serve as the project administrator?

XI. Outputs and Outcomes

a. What do you hope to accomplish by participating in this program?

b. What are your goals?

c. How will you define success?

d. What are your benchmarks and what metrics can be utilized to quantify success?

e. What type of assistance do you need (i.e. strategic planning, partnership building, organization development, development of a unified vision, etc…)?

f. How will this program achieve stable, long-term sustainability past the initial funding period?

g. What will happen to efforts and activities initiated through this program once funds have been expended?

List the amount and sources of all matching funds.

Maps
Provide a map of the proposed region that clearly delineates the overall regional boundary and boundaries for all participating localities.

Letters of Support / Commitment
Provide letters of support and commitment to participate for all partner organizations.

Leverage Documentation
Provide clear evidence that funds in the amount of at least 50 percent of requested funds are available. Keep in mind this includes a local minimum **cash** match requirement of at **least 25 percent**. The balance of matching funds may include sources such as State, local, and private resources. Documentable in-kind matching funds may be acceptable.

How-to-Apply Workshops

Workshops to assist interested applicants in learning more about this program and to provide technical assistance have been scheduled as follows:

June 14, 2011
2:00 - 4:00 p.m.
Southwest Virginia Higher Education Center
Executive Auditorium
One Partnership Circle
Abingdon, Virginia

June 15, 2011
10:00 a.m. - Noon
Southside Virginia Education Center
Golden Leaf Commons Building
1300 Greensville County Circle
Emporia, Virginia

To register for a workshop or to download the proposal guidelines, please visit: www.dhcd.virginia.gov/collaboration. While there is no fee to attend, please register by June 9, 2011.

Virginia's First Regional Industrial Facility Authority

6580 Valley Center Drive, Suite 124
Radford, VA 24141
Phone (540) 639-1524 FAX (540) 831-6093
www.nrvpdc.org/vafirst.html

ANNUAL REPORT FOR FISCAL YEAR 2010-2011

This Annual Report for the fiscal year ending June 30, 2011 (FY11) is submitted to the Virginia's First Regional Industrial Facility Authority (VA's 1st) member local governments pursuant to Section 15.2-6403E, 1950 Code of Virginia, as amended.

VA's 1st leadership continued through the following members of the Executive Committee: Mary Biggs of Montgomery County, Chair; Ken Vittum of Pearisburg, Vice-Chair; Barry Helms of Christiansburg, Secretary/Treasurer; Doug Chittum of Roanoke County; and John Hawley of Pulaski Town. Decisions on VA1st matters between semi-annual meetings of the Board of Directors were delegated to the Executive Committee, including advice to the Executive Director and approval of budgeted expenditures. Administration for the Authority moved to a not to exceed cost memorandum of understanding with the New River Valley Planning District, with Joe Morgan as a consulting executive director for the Authority. The ***attached*** Program of Work adopted in April 2009 continued to guide the VA's 1st focus through FY11, and updates on the current status are included. Two VA1st charter members, the City of Salem and Town of Narrows, withdrew from Authority membership as allowed by Section 15.2-6415, 1950 Code of Virginia. The VA1st Board distributed $600,000 of accumulated funds excess to its members.

The New River Valley Commerce Park is VA's 1st primary project. Construction is underway of facilities to expand water and sewer capacity available at the Park to one million gallons per day by 2012. The expansion is funded by an US Department of Commerce Economic Development Administration matching grant of over $3 million and a US Department of Agriculture loan that with payments of $55,000 per year. A debt reserve fund for the USDA loan was established with $256,365 of the funds the Authority declared excess, as invested by eight Commerce Park members in return for 6,409 shares of Commerce Park equity. The Commerce Park continues to seek more flexibility from USDA in making surplus and industrial sites available for sale or lease. The Commerce Park continued to be led in FY 11 by an Executive Committee of: Basil Edwards of Radford, Chair; Chris McKlarney of Giles County, Vice-Chair; Shawn Utt of Pulaski County, Secretary/Treasurer; Brian Hamilton of Montgomery County; and Jay Polen of Craig County. The Park continued to be marketed through the NRV Economic Development Alliance. The Alliance Prospect Committee introduced four prospects to the Park in FY 11, none which have matured to serious candidates. Leak, Goforth, LLC, in cooperation with Bruce Facility Planning Consultants were engaged to update strategic planning to guide the next decade of the Commerce Park development.

The Consolidated Annual Financial Report for VA's 1st for FY10 will be sent to member governments upon receipt. ***Attached*** is the un-audited FY 10 year end budget to actual report.