



## Virginia's First Regional Industrial Facility Authority

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### Bland County

John C. Thompson  
Henry M. Blessing

### Craig County

Jay Polen

### Giles County

Chris McKlarney  
Richard McCoy

### Montgomery County

Mary W. Biggs, *Chair*  
Craig Meadows

### Pulaski County

Peter M. Huber  
Shawn Utt

### Roanoke County

Charlotte Moore  
Douglas Chittum  
*Executive Committee*

### Wythe County

Bucky Sharitz  
Martha P. Umberger

### City of Radford

Bruce Brown  
Basil Edwards

### City of Roanoke

Brian Townsend  
Court G. Rosen

### City of Salem

John Givens  
Benjamin Tripp

### Town of Christiansburg

Randy Wingfield  
Barry D. Helms,  
*Secretary/Treasurer*

### Town of Dublin

Doug Irvin  
William H. Parker

### Town of Narrows

Clayton Davis  
Buddy Kast

### Town of Pearisburg

Kenneth F. Vittum,  
*Vice-Chair*  
Brad Jones

### Town of Pulaski

Morgan Welker  
John Hawley  
*Executive Committee*

**DATE:** January 8, 2010  
**TO:** Virginia's First Regional Industrial Facility Authority Members  
**FROM:** Joe Morgan, Executive Director  
**SUBJECT:** Meeting Wednesday, January 13, 2010

The semi-annual meeting of the Virginia's First Regional Industrial Facility Authority Members will be held on **Wednesday, January 13, at 4:30 PM.** The meeting will be held at the Competitiveness Center Training Room. See the agenda below.

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

1. **Roll Call and Agenda Approval**
2. **Public Comments**
3. **Approval of July 12, 2009 Minutes**
4. **Treasurer's Report -4<sup>th</sup> Quarter 2009 (attached)**
5. **Administrative Staff Report**
  - a. **Semi-Annual Program of Work Update (attached)**
  - b. **Annual Report (attached)**
  - c. **Board Member Documentation Required**
  - d. **Strategic Planning Emphasis - Workforce Resources and Internet Gateway**
  - e. **Insurance Review Follow-Up**
  - f. **Adequacy of Webpage Documents Library**
  - g. **Executive Director Performance Review by Executive Committee**
6. **Old Business**
  - a. **Suggested Legislation for VA 1<sup>st</sup> Member Withdrawal (attached)**
  - b. **Allocation of \$600,000 Surplus Funds (attached)**
  - c. **Voting Majority Clarification (attached)**
7. **New Business**
  - a. **Report from Participation Committee(s):**
    - i. **Commerce Park Actions for Ratification: (attached)**  
(Participation Agreement Amendment; Airport Land Swap; \$300,000 Water and Sewer Capacity Reserve; NEEMO Option; Water and Sewer Easements; Surplus Property Sale Listing; Developments; Covenants and Communications Committee Appointment; Agricultural and Residential Lease Renewals)
    - ii. **Project NEEMO (Nanomaterials for Energy, Environmental and Medical Operations)**
    - iii. **NRV Wireless Authority**
    - iv. **Competitiveness Center (attached)**
  - b. **Other reports**
  - c. **FY 11 Budget Preparation (attached)**
  - d. **Confirmation of Authority Chair for 2010 per Code of Virginia 15.2-6403D**
  - e. **Appointment of Nominating Committee for 2010-2012 Executive Committee**
8. **Closed Session (if needed)**
9. **Other Business**
10. **Adjournment - Next scheduled meeting: July 14, 2010**

**VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**  
**DECEMBER 31, 2009**

|  |                     |                     |
|--|---------------------|---------------------|
| <b>Balance Forward September 30, 2009</b>                                    |                     | <b>1,493,529.55</b> |
| Dues/Shares/Rents Received 10/1-12/31  | 34,702.38           |                     |
| Interest Earned October - December 2009                                      | 3,243.89            |                     |
| Analysis charge September - November 2009                                    | (377.11)            |                     |
| <b>Total Receivables (less fees)</b>   | <b>37,569.16</b>    | <b>37,569.16</b>    |
| <u>October Payables</u>  |                     |                     |
| Rural Development Loan   | 10,258.00           |                     |
| AEP  | 58.48               |                     |
| Guyann Memmer & Dillon   | 275.00              |                     |
| NRVPDC (August 2009)   | 2,532.65            |                     |
| <u>November Payables</u>   |                     |                     |
| Rural Development Loan   | 10,258.00           |                     |
| Anderson & Associates  | 1,200.00            |                     |
| Joe Morgan (August-October 2009)   | 6,123.20            |                     |
| NRVPDC (September 2009)  | 1,564.35            |                     |
| Robinson Farmer Cox  | 3,000.00            |                     |
| AEP  | 119.06              |                     |
| <u>December Payables</u>   |                     |                     |
| Rural Development Loan   | 10,258.00           |                     |
| Erie Insurance   | 1,901.00            |                     |
| NRV Development Corporation  | 75.00               |                     |
| NRVPDC (October 2009)  | 1,347.21            |                     |
| AEP  | 298.78              |                     |
| <b>Total Accounts Payable</b>  | <b>49,268.73</b>    | <b>(49,268.73)</b>  |
| <b>Balance December 31, 2009</b>   |                     | <b>1,481,829.98</b> |
| <b>Total Available Funds</b>   |                     |                     |
| <b>Virginia First Available Balance</b>                                      |                     | <b>806,093.48</b>   |
| Commerce Park Balance  | 675,736.50          |                     |
| Reserve - Rural Development Loan #1  | 119,448.00          |                     |
| Reserve - Rural Development Loan #2  | 123,096.00          |                     |
| <b>Commerce Park Balance Less Loan Reserves</b>                              |                     | <b>433,192.50</b>   |
| <b>Total Available Funds Less Loan Reserves</b>                              |                     | <b>1,239,285.98</b> |
| <u>Property Owned</u>  |                     |                     |
| Cullip, Doug (purchase price)  | 1,400,000.00        |                     |
| Cullip, Andrew (purchase price)  | 355,000.00          |                     |
| Collins/Evans (purchase price)   | 1,000,000.00        |                     |
| Phillips, Edwina (purchase price)  | 2,178,000.00        |                     |
| Construction/Improvements  | 1,958,385.06        |                     |
| Equipment  | 43,350.00           |                     |
| <b>Total Cost of Fixed Assets</b>  | <b>6,934,735.06</b> |                     |
| 2009 Appraised Value of Commerce park (839 acres excluding surplus property) | 5,200,000.00        |                     |
| 2009 Assessed Value of 35 Acre Suplus Property                               | 662,500.00          |                     |
| 2009 Assessed Value of 55 Acre Surplus Property                              | 330,600.00          |                     |
| 2009 Equipment Value   | 17,340.00           |                     |
| <b>Estimated Value of Land, Buildings and Equipment</b>                      | <b>6,210,440.00</b> |                     |
| <u>Long-term Obligations - balance as of June 30, 2009</u>                   |                     |                     |
| Stellar One Bank Loan (phase 1)  | 1,177,588.00        |                     |
| Rural Development Loan (phase 1)   | 1,971,008.00        |                     |
| Rural Development Loan (phase 2)   | 2,218,409.00        |                     |
| <b>Total Current Debt</b>  | <b>5,367,005.00</b> |                     |

**Where the Money Goes**  
1/1/1999 Through 12/31/2009

| Subcategory                             | 1/1/1999 -<br>12/31/1999 | 1/1/2000 -<br>12/31/2000 | 1/1/2001 -<br>12/31/2001 | 1/1/2002 -<br>12/31/2002 | 1/1/2003 -<br>12/31/2003 | 1/1/2004 -<br>12/31/2004 | 1/1/2005 -<br>12/31/2005 | 1/1/2006 -<br>12/31/2006 | 1/1/2007 -<br>12/31/2007 | 1/1/2008 -<br>12/31/2008 | 1/1/2009 -<br>12/31/2009 | Total                |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------|
| <b>INCOME CATEGORIES</b>                |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| <b>Account Opening Deposit</b>          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Money Market Account                    | 1.00                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 1.00                 |
| Operating Account                       | 1.00                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 1.00                 |
| Account Opening Deposit - Unassigned    |                          |                          |                          | 0.01                     |                          |                          |                          |                          |                          |                          |                          | 0.01                 |
| Total Account Opening Deposit           | 2.00                     |                          |                          | 0.01                     |                          |                          |                          |                          |                          |                          |                          | 2.01                 |
| <b>Commerce Park</b>                    |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Grants funded                           |                          |                          | 1,000,000.00             | 1,256,939.93             | 88,923.88                | 189,206.35               |                          |                          |                          |                          |                          | 2,535,070.16         |
| Insurance overpayment                   |                          |                          | 57.90                    |                          |                          |                          |                          |                          |                          |                          |                          | 57.90                |
| Interest Earned                         | 108.77                   | 6,276.54                 | 29,539.65                | 4,094.57                 | 2,257.26                 | 2,466.60                 | 2,593.64                 | 24,313.17                | 23,551.26                | 10,020.62                | 5,751.42                 | 110,973.50           |
| Loan Proceeds                           |                          | 1,240,000.00             | 5,200.76                 | 3,080,842.24             | 165,621.88               | 213,866.88               | 57,355.72                |                          | 64,644.28                |                          |                          | 4,827,531.76         |
| Other Income                            |                          |                          |                          | 1,752.00                 | 5,000.00                 |                          |                          |                          |                          |                          | 145.00                   | 6,897.00             |
| Participant Shares FY 01-02             |                          |                          | 412,500.00               |                          |                          |                          |                          |                          |                          |                          |                          | 412,500.00           |
| Participant Shares FY 02-03             |                          |                          |                          | 412,500.00               |                          |                          |                          |                          |                          |                          |                          | 412,500.00           |
| Participant Shares FY 03-04             |                          |                          |                          |                          | 412,500.00               |                          |                          |                          |                          |                          |                          | 412,500.00           |
| Participant Shares FY 04-05             |                          |                          |                          |                          |                          | 406,600.00               | 5,900.00                 |                          |                          |                          |                          | 412,500.00           |
| Participant Shares FY 05-06             |                          |                          |                          |                          |                          |                          | 412,500.00               |                          |                          |                          |                          | 412,500.00           |
| Participant Shares FY 06-07             |                          |                          |                          |                          |                          |                          |                          | 406,656.00               | 5,844.00                 |                          |                          | 412,500.00           |
| Participant Shares FY 07-08             |                          |                          |                          |                          |                          |                          |                          |                          | 412,500.00               |                          |                          | 412,500.00           |
| Participant Shares FY 08-09             |                          |                          |                          |                          |                          |                          |                          |                          |                          | 412,499.75               |                          | 412,499.75           |
| Participant Shares FY 09-10             |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 412,500.00               | 412,500.00           |
| Participant Shares FY 99-00             |                          | 387,750.05               | 24,750.00                |                          |                          |                          |                          |                          |                          |                          |                          | 412,500.05           |
| Real Estate Earnest \$ Returned         |                          |                          |                          |                          |                          |                          | 50,000.00                |                          |                          |                          |                          | 50,000.00            |
| Regional Funds FY 98-99                 | 5,967.50                 | 20,000.00                |                          |                          |                          |                          |                          |                          |                          |                          |                          | 25,967.50            |
| Regional Funds FY 99-00                 |                          | 20,000.00                |                          |                          |                          |                          |                          |                          |                          |                          |                          | 20,000.00            |
| Rents collected                         |                          |                          | 11,450.00                | 11,744.00                | 11,300.00                | 12,892.04                | 12,900.00                | 11,200.00                | 11,060.00                | 10,128.00                | 7,197.68                 | 99,871.72            |
| Total Commerce Park                     | 6,076.27                 | 1,674,026.59             | 1,483,498.31             | 4,767,872.74             | 685,603.02               | 825,031.87               | 541,249.36               | 442,169.17               | 517,599.54               | 432,648.37               | 425,594.10               | 11,801,369.34        |
| <b>Other Income</b>                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Reverse Charge                          |                          |                          |                          |                          |                          |                          | 34.00                    |                          |                          |                          |                          | 34.00                |
| Total Other Income                      |                          |                          |                          |                          |                          |                          | 34.00                    |                          |                          |                          |                          | 34.00                |
| <b>Virginia's First RIFA</b>            |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Annual Dues FY 00-01                    |                          | 70,000.00                |                          |                          |                          | 2,500.00                 | 2,500.00                 |                          |                          |                          |                          | 75,000.00            |
| Annual Dues FY 01-02                    |                          |                          | 70,000.00                |                          |                          |                          |                          | 2,500.00                 | 2,500.00                 |                          |                          | 75,000.00            |
| Annual Dues FY 02-03                    |                          |                          |                          | 70,000.00                |                          |                          |                          |                          |                          |                          |                          | 70,000.00            |
| Annual Dues FY 03-04                    |                          |                          |                          |                          | 70,000.00                |                          |                          |                          |                          |                          |                          | 70,000.00            |
| Annual Dues FY 04-05                    |                          |                          |                          |                          |                          | 70,000.00                | 5,000.00                 |                          |                          |                          |                          | 75,000.00            |
| Annual Dues FY 05-06                    |                          |                          |                          |                          |                          |                          | 75,000.00                |                          |                          |                          |                          | 75,000.00            |
| Annual Dues FY 06-07                    |                          |                          |                          |                          |                          |                          |                          | 60,000.00                | 15,000.00                |                          |                          | 75,000.00            |
| Annual Dues FY 07-08                    |                          |                          |                          |                          |                          |                          |                          |                          | 70,000.00                | 5,000.00                 |                          | 75,000.00            |
| Annual Dues FY 08-09                    |                          |                          |                          |                          |                          |                          |                          |                          |                          | 75,000.00                |                          | 75,000.00            |
| Annual Dues FY 09-10                    |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 75,000.00                | 75,000.00            |
| Annual Dues FY 98-99                    | 75,000.00                |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 75,000.00            |
| Annual Dues FY 99-00                    | 70,000.00                |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 75,000.00            |
| Interest Earned                         | 1,140.29                 | 3,196.38                 | 2,458.26                 | 947.28                   | 564.29                   | 616.63                   | 648.41                   | 16,849.70                | 23,551.31                | 2,500.00                 | 2,500.00                 | 65,746.26            |
| Other Income                            |                          |                          |                          | 556.86                   |                          |                          |                          |                          |                          | 10,020.63                | 5,753.08                 | 556.86               |
| Total Virginia's First RIFA             | 146,140.29               | 73,196.38                | 72,458.26                | 71,504.14                | 70,564.29                | 73,116.63                | 83,148.41                | 79,349.70                | 111,051.31               | 92,520.63                | 83,253.08                | 956,303.12           |
| <b>Income - Unassigned</b>              |                          |                          |                          |                          |                          |                          |                          |                          |                          | 0.00                     | 0.00                     | 0.00                 |
| <b>TOTAL INCOME CATEGORIES</b>          | <u>152,218.56</u>        | <u>1,747,222.97</u>      | <u>1,555,956.57</u>      | <u>4,839,376.89</u>      | <u>756,167.31</u>        | <u>898,182.50</u>        | <u>624,397.77</u>        | <u>521,518.87</u>        | <u>628,650.85</u>        | <u>525,169.00</u>        | <u>508,847.18</u>        | <u>12,757,708.47</u> |
| <b>EXPENSE CATEGORIES</b>               |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| <b>Commerce Park Administration</b>     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
|   |                          | 3,239.53                 | 9,111.30                 | 31,236.35                | 46,646.68                | 64,712.30                | 41,968.24                | 41,872.17                | 34,845.84                | 23,232.47                | 47,933.32                | 344,798.20           |
| <b>Commerce Park Engineering/Design</b> |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| AEP Preliminary Study                   |                          |                          |                          |                          |                          |                          |                          |                          |                          | 14,272.00                |                          | 14,272.00            |
| Masterplan Mapping                      |                          |                          |                          |                          |                          | 538.25                   |                          | 311.85                   | 8,404.50                 |                          |                          | 9,254.60             |

**Where the Money Goes**  
1/1/1999 Through 12/31/2009

| Subcategory                                   | 1/1/1999 -<br>12/31/1999 | 1/1/2000 -<br>12/31/2000 | 1/1/2001 -<br>12/31/2001 | 1/1/2002 -<br>12/31/2002 | 1/1/2003 -<br>12/31/2003 | 1/1/2004 -<br>12/31/2004 | 1/1/2005 -<br>12/31/2005 | 1/1/2006 -<br>12/31/2006 | 1/1/2007 -<br>12/31/2007 | 1/1/2008 -<br>12/31/2008 | 1/1/2009 -<br>12/31/2009 | Total                |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------|
| Phase I Design & Construction                 | 39,118.62                | 174,422.41               | 126,325.46               | 218,295.94               | 23,675.26                | 614.25                   | 800.00                   |                          |                          |                          |                          | 583,251.94           |
| Prospect Assistance Warren Data               |                          |                          |                          |                          |                          |                          |                          |                          | 6,691.00                 |                          |                          | 6,691.00             |
| Prospect Fees                                 |                          |                          |                          | 3,195.11                 |                          |                          |                          |                          |                          |                          |                          | 3,195.11             |
| Sewer PER                                     |                          |                          |                          |                          | 51,270.00                | 2,743.00                 | 68,937.00                |                          |                          |                          |                          | 122,950.00           |
| Shelor Motor Mile                             |                          |                          |                          |                          |                          | 39,013.50                | 1,859.00                 |                          |                          |                          |                          | 40,872.50            |
| Shelor Motor Mile Phase 2                     |                          |                          |                          |                          |                          |                          | 7,524.00                 | 13,800.86                |                          |                          |                          | 21,324.86            |
| Water PER                                     |                          |                          |                          |                          | 83,134.00                | 5,110.50                 | 120,791.90               | 22,975.50                |                          |                          |                          | 232,011.90           |
| Water/Sewer Easement Survey                   |                          |                          |                          |                          |                          | 7,939.00                 | 32,867.00                | 231.50                   |                          |                          |                          | 41,037.50            |
| Well Monitoring                               |                          |                          |                          |                          | 6,600.00                 | 8,826.25                 | 3,300.00                 | 12,100.00                | 14,766.20                | 7,879.99                 | 5,466.66                 | 58,939.10            |
| Commerce Park Engineering/Design - Unassigned |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 4,400.00                 | 4,400.00             |
| <b>Total Commerce Park Engineering/Design</b> | <b>39,118.62</b>         | <b>174,422.41</b>        | <b>126,325.46</b>        | <b>221,491.05</b>        | <b>164,679.26</b>        | <b>64,784.75</b>         | <b>236,078.90</b>        | <b>49,419.71</b>         | <b>29,861.70</b>         | <b>22,151.99</b>         | <b>9,866.66</b>          | <b>1,138,200.51</b>  |
| <b>Commerce Park.</b>                         |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Accounting fees                               |                          | 500.00                   | 750.00                   | 800.00                   | 800.00                   | 1,700.00                 | 2,900.00                 | 1,250.00                 | 1,250.00                 | 1,300.00                 | 1,500.00                 | 12,750.00            |
| Advertising                                   | 57.33                    |                          |                          | 599.42                   | 34.50                    | 55.59                    |                          |                          |                          |                          | 501.00                   | 1,247.84             |
| Appraisal fee                                 | 600.00                   |                          | 2,000.00                 |                          |                          | 2,500.00                 |                          |                          |                          |                          | 3,500.00                 | 8,600.00             |
| Barn Demolition                               |                          |                          |                          |                          |                          | 37,499.79                | 1,113.20                 |                          |                          |                          |                          | 38,612.99            |
| County permits                                |                          |                          | 25.00                    |                          |                          | 25.00                    |                          |                          |                          |                          |                          | 50.00                |
| Earnest Deposit                               |                          |                          |                          |                          |                          | 50,000.00                |                          |                          |                          |                          |                          | 50,000.00            |
| Environmental                                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 1,790.00                 | 1,790.00             |
| Equipment Purchase                            |                          |                          |                          |                          | 43,350.00                |                          |                          |                          |                          |                          |                          | 43,350.00            |
| Insurance                                     |                          |                          | 1,145.32                 | 10,780.00                | 1,747.00                 | 2,093.00                 | 10,509.00                | 3,022.00                 | 3,652.00                 | 3,787.00                 | 3,659.00                 | 40,394.32            |
| Interest payment                              |                          |                          | 172,590.28               | 32,343.04                |                          |                          |                          |                          |                          |                          |                          | 204,933.32           |
| Interim loan payment                          |                          |                          | 1,000,000.00             | 2,002,013.89             |                          |                          |                          |                          |                          |                          |                          | 3,002,013.89         |
| Karst Evaluation                              | 1,170.00                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 1,170.00             |
| Legal fees                                    | 9,667.92                 | 9,503.18                 | 34,575.10                | 56,962.44                | 4,107.75                 | 15,996.69                | 14,132.11                | 587.50                   | 75.00                    | 1,012.50                 | 50.00                    | 146,670.19           |
| Maintenance                                   |                          |                          |                          | 815.00                   | 2,644.72                 | 343.51                   | 5,211.23                 | 2,234.80                 | 70.00                    | 1,533.00                 |                          | 12,852.26            |
| Marketing                                     |                          |                          |                          |                          | 5,000.00                 | 6,900.00                 | 72.35                    |                          |                          | 26,300.00                |                          | 38,272.35            |
| Mebane House Stabilization                    |                          |                          |                          |                          | 67.70                    | 26,897.54                | 5,556.76                 |                          |                          |                          |                          | 32,522.00            |
| Miscellaneous                                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 125.00                   | 125.00               |
| Real estate fees                              |                          |                          | 3,107.50                 |                          |                          |                          | 61.00                    |                          |                          |                          |                          | 3,168.50             |
| Real estate purchase                          |                          |                          | 1,002,096.40             | 690,000.00               |                          |                          |                          |                          |                          |                          |                          | 1,692,096.40         |
| Shelor Motor Mile Phase II                    |                          |                          |                          |                          |                          |                          | 100.00                   | 246,471.04               |                          |                          |                          | 246,571.04           |
| Shelor Motor Mile Project                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 60,465.88            |
| Utilities                                     |                          |                          |                          | 26,882.98                | 706.12                   | 60,465.88                | 1,099.87                 | 359.19                   | 442.02                   | 516.49                   | 598.07                   | 1,012.22             |
| <b>Total Commerce Park.</b>                   | <b>11,495.25</b>         | <b>10,003.18</b>         | <b>2,216,289.60</b>      | <b>2,821,196.77</b>      | <b>58,457.79</b>         | <b>205,576.87</b>        | <b>40,014.84</b>         | <b>254,007.36</b>        | <b>5,563.49</b>          | <b>34,530.57</b>         | <b>12,137.22</b>         | <b>5,669,272.94</b>  |
| <b>Loan</b>                                   |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Loan Interest                                 |                          |                          |                          |                          | 185,155.95               | 107,850.00               |                          | 96,827.64                |                          |                          |                          | 389,833.59           |
| P&I   |                          |                          |                          |                          |                          |                          | 230,456.71               | 323,048.71               | 353,552.71               | 353,552.71               | 353,552.71               | 1,614,163.55         |
| RD Guarantee Fee                              |                          |                          |                          |                          |                          | 11,015.00                |                          |                          |                          |                          |                          | 11,015.00            |
| <b>Total Loan</b>                             |                          |                          |                          |                          | <b>185,155.95</b>        | <b>118,865.00</b>        | <b>230,456.71</b>        | <b>419,876.35</b>        | <b>353,552.71</b>        | <b>353,552.71</b>        | <b>353,552.71</b>        | <b>2,015,012.14</b>  |
| <b>Pay Request</b>                            |                          |                          |                          | 1,943,885.56             | 14,499.50                |                          |                          |                          |                          |                          |                          | 1,958,385.06         |
| <b>Virginia's First Administration</b>        | 7,635.82                 | 10,722.26                | 11,524.80                | 11,942.84                | 3,938.19                 | 10,425.79                | 6,823.28                 | 9,368.86                 | 9,820.87                 | 9,482.32                 | 18,134.90                | 109,819.93           |
| <b>Virginia's First RIFA.</b>                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                      |
| Accounting fees                               |                          | 500.00                   | 750.00                   | 800.00                   | 800.00                   |                          | 1,100.00                 | 1,250.00                 | 1,250.00                 | 1,300.00                 | 1,500.00                 | 9,250.00             |
| Advertising                                   |                          |                          |                          |                          |                          |                          | 220.08                   |                          |                          | 689.14                   |                          | 909.22               |
| Bank fees                                     | 24.00                    |                          |                          | 159.75                   | 42.00                    | 67.25                    |                          | 43.36                    | 179.58                   | 768.84                   | 1,363.10                 | 2,647.88             |
| Check order                                   | 70.84                    |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          | 70.84                |
| Insurance                                     |                          | 825.00                   | 550.00                   | 550.00                   | 550.00                   | 550.00                   | 550.00                   | 550.00                   | 550.00                   | 550.00                   | 550.00                   | 5,775.00             |
| Legal fees                                    | 3,282.00                 | 1,848.00                 | 2,800.25                 | 10,231.75                | 1,765.20                 |                          |                          |                          |                          |                          | 400.00                   | 20,327.20            |
| Miscellaneous                                 |                          |                          | 135.08                   | 556.86                   | 52.25                    | 304.80                   |                          | 195.58                   |                          | 65.00                    | 100.00                   | 1,409.57             |
| <b>Total Virginia's First RIFA.</b>           | <b>3,376.84</b>          | <b>3,173.00</b>          | <b>4,235.33</b>          | <b>12,298.36</b>         | <b>3,209.45</b>          | <b>922.05</b>            | <b>1,870.08</b>          | <b>2,038.94</b>          | <b>1,979.58</b>          | <b>3,372.98</b>          | <b>3,913.10</b>          | <b>40,389.71</b>     |
| <b>TOTAL EXPENSE CATEGORIES</b>               | <b>61,626.53</b>         | <b>201,560.38</b>        | <b>2,367,486.49</b>      | <b>5,042,050.93</b>      | <b>476,586.82</b>        | <b>465,286.76</b>        | <b>557,212.05</b>        | <b>776,583.39</b>        | <b>435,624.19</b>        | <b>446,323.04</b>        | <b>445,537.91</b>        | <b>11,275,878.49</b> |
| <b>GRAND TOTAL</b>                            | <b>90,592.03</b>         | <b>1,545,662.59</b>      | <b>(811,529.92)</b>      | <b>(202,674.04)</b>      | <b>279,580.49</b>        | <b>432,895.74</b>        | <b>67,185.72</b>         | <b>(255,064.52)</b>      | <b>193,026.66</b>        | <b>78,845.96</b>         | <b>63,309.27</b>         | <b>1,481,829.98</b>  |

**Attachment to Treasurer's Report**

**Commerce Park Balance Detail**

|                      | As of 12/31/09 |
|----------------------|----------------|
| Total Balance        | \$ 433,192.50  |
| Restricted Balance   | \$ 343,424.39  |
| Unrestricted Balance | \$ 89,768.11   |

**Virginia's First Balance Detail**

|                      | As of 12/31/09 |
|----------------------|----------------|
| Total Balance        | \$ 806,093.48  |
| Restricted Balance   | \$ 13,811.57   |
| Unrestricted Balance | \$ 792,281.91  |



## Virginia's First Regional Industrial Facility Authority

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Brad Jones

### Town of Pulaski

Morgan Welker  
\*John Hawley

\* *Executive Committee*

**DATE:** December 23, 2009  
**TO:** Virginia's First Regional Industrial Facility Authority Members  
**FROM:** Joe Morgan  
**SUBJECT:** January 13, 2010 Meeting – Administrative Staff Report

Due to the holiday season, I'm sending the draft agenda and staff report three weeks ahead of the meeting. Please put the meeting on your calendars for the New Year. Let me know of any concerns or matters not on the agenda needing attention. If needed, the Executive Committee may meet the first week of January to review any items requiring attention prior to the January 13 meeting. I plan to send you an updated agenda and related support documents by Friday, January 8.

*Seasons Greeting to You and Yours!*

- 1. Roll Call and Agenda Approval**
- 2. Public Comments** – I am aware on no request for public comment at this time.
- 3. Approval of July 12, 2009 Minutes** – The minutes were sent out October 20. Please advise me if you need another copy sent.
- 4. Treasurer's Report -4<sup>th</sup> Quarter 2009 (to be provided at meeting)** - Staff plans to submit financial reports on a quarterly basis, following the close of transactions at the end of March, June, September and December. All Board Members should have received the latest report, which was distributed on October 20. For monthly bills, copies of all invoices to be paid are being sent to the executive committee members of both VA's 1<sup>st</sup> and the Commerce Park. Unless objections are heard from those members payment is made. For internal control separate staff members prepare checks and arrange for signing and distribution of checks. Treasurer Helms suggests paying all recurring bills so as to avoid any late payment penalties. Such bills can also be listed on the monthly report to the Executive Committee and quarterly financial reports. Janet McNew is responsible for preparing checks, as well as the quarterly treasurer's report. Christy Straight arranges for check signing and distribution for approved bills. Approval of this bill paying and financial reporting procedure is requested.
- 5. Administrative Staff Report**
  - a. Quarterly Program of Work Update** – The update is attached. Please let me know of any questions.
  - b. Annual Report** – Section 15.2-6403E, 1950 Code of Virginia, as amended, requires submission of an annual report to the member governments following the close of each fiscal year. The report is required to "set forth a complete operating and financial statement covering the operation of the authority during such year." I drafted a report to include a narrative summary, Program of Work Update and Consolidated Annual Financial Report (CAFR). The Update and CAFR were sent on October 20. The narrative summary is attached. Approval of a report for submission to member governments is requested.

- c. **Board Member Documentation Required**– A memo is being sent to each Board Member and member local government requesting assistance with obtaining required documentation, as follows: annual financial disclosure statement due January 15; local governing body resolution of appointment; and oath of office. The memo has a table showing missing appointment resolutions or oaths of office. Please help us make sure all your required documents are in order. I also encourage local governments to give Board Member Alternates the flexibility of serving as an alternate for either of the two Board Members that each member government can appoint.
- d. **Strategic Planning Emphasis - Workforce Resources and Internet Gateway** – I continue to seek information for a baseline categorization of workforce strengths and weaknesses to guide targeting of potential employers for the region. The Roanoke Valley Partnership and Virginia Economic Development Partnership have offered assistance with the characterization. Similarly, I am attempting to describe the desired upgrades of the Virginia First webpage and related internet gateway to best communicate the Virginia First mission and resources. I expect to suggest Virginia First investment in both workforce resource characterization and internet gateway upgrade in the coming year.
- e. **Insurance Review Follow-Up** – On November 19, the Commerce Park Participation Committee authorized an overall review of insurance coverage for both the Commerce Park site and VA’s 1<sup>st</sup> Authority operations. Through cooperative procurement the review is being conducted under the Pulaski County agreement with McNearly Insurance Consultants. The cooperative procurement review is also being used by the NRV Airport and New River Regional Jail. For VA’s 1<sup>st</sup>, the review will address the adequacy of general liability and errors and omissions coverage.
- f. **Adequacy of Webpage Documents Library** – Feedback is requested on whether the webpage documents library available at <http://www.nrvpdc.org/vafirst.html> is adequate or whether other hard copies of electronic document sources need to be made available to Board Members.
- g. **Executive Director Performance Review by Executive Committee** – Subject to the pleasure of the Board, it is my intention to serve in the executive director’s role through FY 2012. I request the Executive Committee review my performance prior to the July semi-annual VA 1<sup>st</sup> meeting to be sure I am meeting expectations.

## 6. Old Business

- a. **Suggested Legislation for VA 1<sup>st</sup> Member Withdrawal** – Member governments were asked to voice any objections by December 1 on the suggested member withdrawal amendment to Section 15/2-6415, 1950 Code of Virginia, as amended. Dublin suggested clarification of dues due on withdrawal on a fiscal or calendar year basis. I inserted "*for the current and succeeding fiscal year following the effective date of withdrawal.*" The remaining amendment language sent was that reviewed by the VA 1<sup>st</sup> Board on July 8. See ***attached*** version. Since no objections were heard by December 1, Delegates Nutter and Crockett-Stark were asked to submit the suggested amendment prior to the pre-filing restriction on the number of bills that may be introduced in the 2010 General Assembly. I have heard two additional concerns since December 1:
  - Wythe County Administrator Cellell Dalton advised "*We feel the requirement to pay two years dues is onerous. Retaining the prior year's dues and paying dues for the year that you withdraw should suffice.*" I understand Wythe would prefer language such as "*for the fiscal year of the effective date of withdrawal and to allow the Authority to retain the dues due from the withdrawing member for the fiscal year prior to withdrawal.*" I advised Cellell of

the change following the input from Dublin, which may address the Wythe County concern.

- Montgomery County Administrator Craig Meadows advised “*Our concern is that if a member jurisdiction has paid what is owed for its participation, the jurisdiction should retain an identified right to receive contributions or a percentage of assets sold. The investment has been made in good faith by the jurisdiction, so if a return occurs the right to receive that return should be retained by the member who has withdrawn.*”

*Also, if a member jurisdiction withdraws, we do not understand the logic of requiring the jurisdiction to return any dues or contributions refunded previously.”*

I advised Craig that I think the proposed amendment allows a withdrawing member to retain Commerce Park equity, as well retain refunded dues; however, it would require the withdrawing member to negotiate the amounts. Both withdrawal and retaining equity can be approved by a majority of the members under the suggested language. The suggested language does not guarantee a member seeking withdrawal can automatically retain such assets. The thinking is that members wishing to retain equity should be encouraged to remain members. Also, the thinking is that members so dissatisfied that they want out at all costs, should have a way to do so.

I understand Delegates Nutter and Crockett-Stark will at least pre-file legislation that might be considered in the 2010 General Assembly session. The legislature convenes on the same day VA 1st has its next semi-annual meeting, January 13. My suggestion is to refine the language to read as follows:

*A member locality of an authority may, with the majority approval of all other members of such authority, withdraw from the authority only (i) upon dissolution of the authority as set forth herein, or (ii) upon a resolution adopted by the governing body of a member locality and after satisfaction of such member locality's legal obligations, including repayment of its portion of any debt incurred, with regard to the authority, or after making contractual provisions for the repayment of its portion of any debt incurred, with regard to the authority, as well as pledging. **If a majority of the members of such authority so demand, the withdrawing member shall be required to pay general dues for operation of the authority for the current and succeeding fiscal year following the effective date of withdrawal. No member seeking withdrawal shall retain, without the consent of a majority of the remaining members, any rights to contributions made by such member, to any property held by such authority or to any revenue sharing as allowed by 15.2- 6406 and 15.2-6407 . Upon withdrawal, the withdrawing member shall also return to the authority any dues or other contributions refunded to such member during its membership in the authority.***

If there are matters needing more reflection after January 13, it may be best to attempt to get them resolved by the 2011 session of the General Assembly. Whenever and if ever the legislation is considered, it would be best if the VA 1st member governments are in agreement on the approach.

Overall, I think good progress is being made on providing a withdrawal option for VA 1st members.

- b. Allocation of \$600,000 Surplus Funds** – At the July 8 meeting, the Board reviewed use of surplus funds, which are estimated at \$40,000 per member. See *attached* surplus calculation and options for use. I recommend surplus funds in the amount of \$600,000 be declared. I also recommend Board Members be authorized to coordinate use of the surplus funds for their respective jurisdiction. As noted below, the Commerce Park Participation Committee recommended on August 12 that \$300,000 be set aside for reservation of one million gallon per day increased water and sewer capacity from the Pulaski County Public Service Authority.



- c. **Voting Majority Clarification** – There are differences of opinion on the requirements for unanimous action by the Board Members or the member governments. Reference is made to Articles V, VI and VII of the agreement creating the Authority, as attached and at <http://www.nrvpdc.org/VAFirst/AuthorityDocuments/VFIRFA%20Agreement.pdf>. The intent of language related to “*consent of all member governments*” appears to be for pledges for debt issuance. The specific language used in Articles V and VI is “*the assets, faith and credit of the authority may not be pledged without the consent of all Member Localities*”. Article VII states that “*The general business of the Authority, including the issuance of bonds not based upon the full faith, credit and assets of the Authority and the expenditure of funds for general expenses shall be conducted by majority action of the Board of the Authority...*” Attached is the November 5, 2008 correspondence from VA 1<sup>st</sup> Attorney Jim Guynn to the Attorney General that is somewhat related.

Should the agreement be clarified to confirm that only debt issuance pledging assets require consent of all member governments?

Should the approval of debt issuance that pledges Authority assets be changed to a majority vote (2/3 or simple) of the Board Members?

## 7. New Business

### a. Report from Participation Committee(s):

- i. **Commerce Park Actions for Ratification:** Acceptance of the following items adopted by the Commerce Park Participation Committee is in order. If desired, acceptance may be done in a single motion.
- **Participation Agreement Amendment** – Pending final review by legal counsel, VA’s 1<sup>st</sup> and all Commerce Park Member Governments are asked to adopt the proposed amendment. See the attached excerpt from the November 19 Participation Committee meeting approving Amendment #2 to the Participation Agreement.
  - **Airport Land Swap** – Anderson and Associates is completing the plat for the five acre parcel to be swapped. After completion the plat will be sent to legal counsel for deed preparation. The only other obstacle of which I am aware is whether Stellar One Bank and Rural Development will require reduction of outstanding loan principal of an amount equal to the fair market value of the property. Based on the recent MAI appraisal, the value will be \$31,500 (at \$6,250 per acre). If principal reduction payment is required, I will suggest delaying transfer until the next Participation Committee meeting, now scheduled for March 10, 2010.
  - **\$300,000 Water and Sewer Capacity Reserve** – At the August 12 meeting, the Participation Committee approved reservation of \$300,000 from the Commerce Park members’ surplus VA’s 1<sup>st</sup> \$40,000 per member allocation for a reserve to cover the availability charges, once the one million gallon per day water and sewer capacity is provided to the Commerce Park through the Pulaski County Public Service Authority.
  - **NEEMO Option** – At the November 19 Participation Committee meeting an option for a site for the proposed Virginia Nanotechnology Park was approved on the following general conditions:
    1. site – 35 +/- acre site, identified in the feasibility study master plan;
    2. option duration – two years, with up to three one year renewals;
    3. price – to be determined by fair market appraisal at time option is exercised;

4. access – Virginia Industrial Access Road via extension of existing Commerce Park access road along right of way identified in master plan;
  5. land transfer – by lease purchase for the initial combined training and production laboratory anchor building site and by lease or fee simple for future building sites #1–#8.
  6. payment – by Project NEEMO participation shares or through the project financing at the discretion of each Commerce Park member participant.
- **Water and Sewer Easements** – Several easements and tank / pump station site transfers, have been granted to the Pulaski County Public Service Authority to accommodate the water and sewer expansion infrastructure currently under design and contract bidding.
  - **Surplus Property Sale Listing** – The listing with Woltz and Associates was renewed for six months through May 10, 2010. The listing includes an exclusion for ninety days to allow New Dublin Presbyterian Church to consider purchasing a buffer area. Planning is also underway to place a restrictive covenant that would limit uses within 700 feet of the Church building front door to those uses allowed by right in the Conservation District zoning designation of Pulaski County.
  - **Developments Covenants and Communications Committee Appointment** – Nominees for the Committee are to be submitted to the Commerce Participation Committee at its next meeting. The Committee will serve both as a review panel for Commerce Park on site developments and as a forum for neighboring property owners regarding the Commerce Park development.
  - **Agricultural and Residential Lease Renewals** – Current leases were approved for renewal. In March of 2010, the no rent lease for acreage acquired from Edwina Dalton Phillips will convert to a lease for some compensation. Arrangements for continuing or seeking a new lessee are required.
- ii. **Project NEEMO (Nanomaterials for Energy, Environmental and Medical Operations)** – The Town of Pulaski has arranged for further use of the Economic Development Authority matching grant for evaluation of the nanotechnology initiative. The study is being undertaken by the Virginia Tech Office of Economic Development and is to be completed in February. A major outcome will be a feasibility analysis for the overall initiative. Planning is shifting from focus on an iconic multi-purpose building at the Commerce Park toward defining the programmatic components to attract nanotechnology manufacturing to the VA’s 1<sup>st</sup> region. Thompson and Litton is also doing engineering planning on a more generic site, including use of an existing building. The New River Valley Economic Development Alliance has identified potential nanotechnology related businesses that may consider locating in the region. Town of Pulaski Economic Development Director John White or Alliance Executive Director Aric Bopp may have more information to share. None of the \$20,000 VA’s 1<sup>st</sup> allocation for Project NEEMO has been used to date.
  - iii. **NRV Network Wireless Authority** – NRVPDC Executive Director Kevin Byrd can provide an update on the wireless initiative, which is a potential VA’s 1<sup>st</sup> participation committee. The New River Valley Network Wireless Authority application to the National Telecommunication and Information Agency (NTIA) was selected in December for a second-phase application. This second phase inquiry requested more information pertaining to an Environmental Review, network detail and a pro-forma. The materials were submitted on December 22<sup>nd</sup> and a timeline for notification is not known at this time. Only four other projects in Virginia were selected for phase two.

**b. Other reports**

**c. FY 11 Budget Preparation** – A budget is being submitted to the New River Valley regional budget review process by December 31. The budget will be developed within the ongoing revenue restraints for both VA's 1<sup>st</sup> and the Commerce Park. I will send a copy of the budget submittal to the VA's 1<sup>st</sup> Board Members.

**d. Confirmation of Authority Chair for 2010 per Code of Virginia 15.2-6403D** – State law requires the Authority Chair to be designated annually by calendar year. Chair Mary Biggs current term runs through the July 14 Authority meeting. To comply with the Code, Chair Biggs should be confirmed through the remainder of her current term, as well as confirmation extended to her successor, if any.

**e. Appointment of Nominating Committee for 2010-2012 Executive Committee** – Authorization is requested for Chair Biggs to appoint a three member nominating committee for Chair, Vice-Chair, Secretary-Treasurer, and two Executive Committee Members for the July 2010 to July 2012 term.

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

**9. Other Business**

**Adjournment - Next scheduled meeting: July 14, 2010**



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\* *Executive Committee*

**DATE:** January 8, 2010  
**TO:** Virginia's First Regional Industrial Facility Authority Members  
**FROM:** Joe Morgan  
**SUBJECT:** January 13, 2010 Meeting – Administrative Staff Report Update

By Monday, all the agenda materials sent, should also be posted on the NRVPCD webpage in a single file. See <http://www.nrvpcd.org/vafirst.html>. The following is an update for the main staff report sent on December 23:

2. **Public Comments** – I am aware on no request for public comment at this time.
4. **Treasurer's Report -4<sup>th</sup> Quarter 2009** – Thanks to the prompt work of Janet McNew and Christy, the report is attached.
5. **Administrative Staff Report**
  - e. **Insurance Review Follow-Up** – I plan to send a list of items needing immediate attention, as well as the preliminary report by McNeary Insurance Consultants, to all Board Members early next week
6. **Old Business**
  - a. **Suggested Legislation for VA 1<sup>st</sup> Member Withdrawal** – There is probably more feedback needed on the VA's 1st member withdrawal legislation, making 2011 better than this year for giving legislators an amendment that will represent a consensus. The key concern seems to be whether the withdrawal penalty is set or is determined on a case by case basis.
  - b. **Allocation of \$600,000 Surplus Funds** – Action may be best be taken in two steps. First, does the Board want to declare surplus the \$600,000 recommended? If so, further work will be probably be needed on how best for each individual member to determine use of the funds, such as whether to send a refund check to the local government for a Board or Council decision or leave the surplus amount in the VA's 1st Treasury with distribution determined by the member government's VA 1st Board Members. It may also be helpful to adopt a regular schedule to determine surplus amounts and reserve surplus amounts for individual member use, perhaps biennially.
  - c. **Voting Majority Clarification** – While voting majority for the Commerce Park Participation Committee has been established, I am still reviewing whether there are changes needed to the VA's 1<sup>st</sup> creation agreement.
7. **New Business**
  - a. **Report from Participation Committee(s):**
    - i. **Commerce Park Actions for Ratification: Participation Agreement Amendment** – Attached is the final agreement language, which has been approved by VA's 1<sup>st</sup> Attorney Jim Guynn and Montgomery County Attorney Marty McMahon.

**iv. Competitiveness Center** - A participation committee for the Center was considered in the past, but no deliberation by VA's 1st has occurred in the past year. As noted in the attached letter to Floyd County, the Center owner, NRV Development Corporation, is now seeking assistance in the Center's ownership, operation and financing. A similar letter was sent to all local governments in the NRV Planning District. VA's 1st Board Member from Pulaski County, County Administrator Peter Huber, has requested the potential participation committee be considered at the January 13 VA's 1st semi-annual meeting. If there are VA's 1st member governments that are willing to consider participating, then the terms of a participation committee can be drafted and presented at a called meeting of interested governments. The draft of components for the participation agreement could be done by VA's 1st staff as has been done for Project NEEMO. An alternative is to allocate some funding for procuring a consultant for drafting the components, probably \$3,000 to \$5,000. As noted in the attached letter, the Center is approaching insolvency. Therefore, a VA's 1st Competitiveness Center participation committee would probably not be organized in time to address the insolvency, but might be helpful in getting a reprieve from creditors until the feasibility of a participation committee is determined, probably 90 to 180 days.

## **7. New Business**

**c. FY 11 Budget Preparation** – Attached is budget information submitted to the New River Valley regional budget review process last month. The budget submittal was developed within the ongoing revenue restraints for both VA's 1<sup>st</sup> and the Commerce Park. The VA's 1<sup>st</sup> budget proposal will be further developed and presented for approval at the July Annual VA's 1<sup>st</sup> Board meeting. No change is proposed for the \$5,000 annual dues request to each VA's 1<sup>st</sup> member government.

**8. Closed Session (if needed)** – A report on a prospective industry may be available from the New River Valley Economic Development Alliance Executive Director.

The agenda and staff report has been prepared in consultation with individual members of the Executive Committee. To expedite the meeting flow, I am available 24/7 at [jmorgan@nrfdc.org](mailto:jmorgan@nrfdc.org) or 804.441.1646 for your questions and advice.

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

Adopted 4-08-09 and Updated  
12-24-09

|                                |   | <u>TASK</u>                             | <u>CURRENT STATUS</u>  | <u>TIMING</u>  | <u>STAFF ASSIGNED</u> |
|--------------------------------|---|---|--|--|-----------------------|
|                                |   | <i>Completed Items Shown in Italics</i> |  |  |                       |
| <b>GOVERNANCE</b>              |   |   |  |  |                       |
| <b>Board of Directors</b>      | Continue coordinating with member local governments, including FOI, COI, Financial and other required disclosures   |   | Staggered terms expire June 30, 2010 & 2012  | April - May 2010 & 2012  | Straight / Morgan     |
| <b>Officers</b>                | Chairman to continue appointing nominating committee 4 - 6 months prior to end of terms   |   | Nominating Committee Needed for July 2010 to June 2012 term  | March - May 2010   | Straight / Morgan     |
| <b>Executive Committee</b>     | Include officers and 2 at large members for at least 6 months trial   |   | <i>Mary Biggs, Chair - Ken Vittum, Vice-Chair - Barry Helms, Secretary Treasurer - Doug Chittum and John Hawley, Members</i> | April 2009 to September 2010 and reconfirm Chair for each fiscal year per 15.2-6403D | Morgan                |
| <b>Executive Director</b>      | Designate Joe Morgan Executive Director on contract basis April 2009 to June 2011 OR Continue service of PDC Executive Director OR Engage alternate candidate |   | <i>Joe Morgan engaged</i>  | April 09 VA 1st Board Meeting  |                       |
| <b>MEETINGS</b>                |   |   |  |  |                       |
|                                | Use semi-annual scheduled meetings, with called meetings if needed  |   | <i>Semi-annual meetings scheduled for 7/8/09, 1/13/10 and 7/14/10</i>  | Try for 2009-10  |                       |
| <b>MEMBERSHIP</b>              |   |   |  |  |                       |
| <b>Periodic Updates</b>        | Add semi-annual update by Executive Director to Member CAO or Governing Body, as best suits each member government  |   | Contacts expected next with Authority Agreement and Commerce Park Participation Agreement Amendments                         | January to June 2010   | Morgan                |
| <b>Additions / Withdrawals</b> | VA 1st members to consider membership change arrangements, including legislation, that would allow amicable membership changes                                |   | Draft legislation submitted to Delegates Crockett-Stark and Nutter with further input on 1/13/10                             | 2010-2011 General Assembly Sessions  | Morgan                |
| <b>ADMINISTRATION</b>          |   |   |  |  |                       |
| <b>Executive Director</b>      | Transfer to Permanent Executive Director with PDC Executive Director as Advisor   |   | <i>Completed</i>   | April - June 09  | Rundgren / Morgan     |
| <b>Financial Accounting</b>    | Retain at NRVPCD  |   | <i>NRVPDC Maintains</i>  | April - June 09  | McNew / Morgan        |
| <b>Record Keeping</b>          | Retain at NRVPCD with remote laptop access  |   | <i>PDC Maintains</i>   | April - June 09  | Straight / Morgan     |
| <b>Office / Meeting Space</b>  | Retain at NRVPCD as well as use of Morgan home office   |   | <i>Completed</i>   | 2009 - 2011  | Rundgren / Morgan     |

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

Adopted 4-08-09 and Updated  
12-24-09

| <u>TASK</u>   | <u>CURRENT STATUS</u>  | <u>TIMING</u>   | <u>STAFF ASSIGNED</u>  |                    |
|---|--|---|------------------------|--------------------|
| <b>ADMINISTRATION</b> (Continued)                             |  |   |                        |                    |
| <b>Communications</b>   |  |   |                        |                    |
| Agendas   | Retain at NRVPCD, with notebook format available for each member that includes Program of Work, minutes, staff reports, etc. | PDF versions posted on NRVPCD webpage in July 2009  | Review in January 2010 | Straight / Morgan  |
| Correspondence  | Retain at NRVPCD   | <i>PDC Maintains</i>  | April - June 09        | Straight / Morgan  |
| Telephone   | Use PDC landline and cell/PDA for Ex Dir   | <i>PDC Maintains</i>  | April - June 09        | Gilberston/ Morgan |
| E-mail  | Use PDC mail server and wireless PDA for Ex Dir  | <i>PDC Maintains</i>  | April - June 09        | Gilberston/ Morgan |
| Internet  | Update VA 1st Website  | <i>PDC Maintains</i>  | 2009-10                | Gilberston/ Morgan |
| <b>PROFESSIONAL SERVICES</b>                                  |  |   |                        |                    |
| <b>Legal Counsel</b>  | Update procurement   | Jim Guynn   | 2009-10                | Morgan             |
| <b>Financial Auditor</b>                                      | Update procurement   | Robinson, Farmer, Cox   | 2009-10                | Morgan             |
| <b>Engineering</b>  | Update procurement   | Draper-Aden / Anderson&Assoc  | 2009-10                | Morgan             |
| <b>STRATEGIC PLANNING</b>                                     |  |   |                        |                    |
| <b>Regional Economic Development Needs</b>                    | Emphasis on current regional workforce strengths and regional site development opportunities                                 | Reassessment is due 10 years since VA 1st formed  | 2009-10                | Morgan             |
| <b>Regional Economic Development Opportunities</b>            | Explore opportunities for investment and revenue sharing for all VA 1st members through new participation committees         | VA 1st has established no regional projects except Commerce Park and recent Nanotechnology initiative | 2009-11                | Morgan             |
| <b>Frequency</b>  | Initial 2 year cycle of review and re-adoption   | Consider Schedule at July 2010 Semi-Annual Authority Meeting  | 2009-11                | Morgan             |
| <b>FINANCE</b>  |  |   |                        |                    |
| <b>Dues</b>   | Reassess long term requirements  | \$1,500 - \$2,000 adequate  | 2009-10                | Morgan             |
| <b>Banking</b>  | Update procurement   | Coordinated through NRVPCD  | 2009-10                | Morgan             |
| <b>Use of Reserve</b>   |  |   |                        |                    |
| Proposed Regional Economic Development Grant and Loan Program | Revisit as a mechanism to insure all VA 1st members have access to VA 1st resources  | Included in options up for adoption on January 13, 2010   | 2009-10                | Morgan             |
| Support of Participation Committees                           | Consider equitable policy to allow access without restricting non-participating members                                      | Up for adoption on January 13, 2010   | 2009-10                | Morgan             |
| <b>Budgeting</b>  | Assign to Executive Director   | <i>Completed</i>  | 2009                   | Morgan             |



## 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](http://www.nrvpdc.org/vafirst.html)

### ANNUAL REPORT FOR FISCAL YEAR 2008-2009

#### **Bland County**

John C. Thompson  
Henry M. Blessing

#### **Craig County**

Jay Polen

#### **Giles County**

Chris McKlarney  
Richard McCoy

#### **Montgomery County**

Mary W. Biggs  
*Chair*  
Craig Meadows

#### **Pulaski County**

Peter M. Huber  
Shawn Utt

#### **Roanoke County**

Charlotte Moore  
Douglas Chittum  
*Executive Committee*

#### **Wythe County**

Bucky Sharitz  
Martha P. Umberger

#### **City of Radford**

Bruce Brown  
Basil Edwards

#### **City of Roanoke**

Brian Townsend  
Court G. Rosen

#### **City of Salem**

John Givens  
Benjamin Tripp

#### **Town of Christiansburg**

Randy Wingfield  
Barry D. Helms,  
*Secretary Treasurer*

#### **Town of Dublin**

Doug Irvin  
William H. Parker

#### **Town of Narrows**

Clayton Davis  
Buddy Kast

#### **Town of Pearisburg**

Kenneth F. Vittum  
*Vice - Chair*  
Brad Jones

#### **Town of Pulaski**

Morgan Welker  
John Hawley,  
*Executive Committee*

This Annual Report for the fiscal year ending June 30, 2009 (FY09) is submitted to the Virginia's First Regional Industrial Facility Authority (VA's 1<sup>st</sup>) member local governments pursuant to Section 15.2-6403E, 1950 Code of Virginia, as amended.

FY09 was a transitional year for VA's 1<sup>st</sup>. It marked the beginning of the second decade since the fifteen member governments joined in 1998 to do together what could not be done alone. Joe Morgan was engaged to conduct a scope of review of VA's 1<sup>st</sup> activities and organization. In April 2009, he was appointed part time executive director and the *attached* Program of Work was adopted to guide the VA's 1<sup>st</sup> focus through FY10 and FY11. VA's 1<sup>st</sup> leadership was entrusted to a separate 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. At the end of FY09, the Authority's first executive director, former New River Valley Planning District Director Dave Rundgren, announced his retirement. Dave guided VA's 1<sup>st</sup> formation, attracting millions of non-local dollars for projects.

The New River Valley Commerce Park, VA's 1<sup>st</sup> primary project, received significant infrastructure planning and funding. Pulaski County Public Service Authority and VA's 1<sup>st</sup> received Economic Development Administration matching grant funding of over \$3 million that will expand water and sewer capacity available at the park to one million gallons per day by 2012. American Electric Power was engaged to plan the route for extension of its 138kV transmission line about 1.5 miles from the Morgan's Cut area to the park. A business plan was adopted that allows for sites from two to 700+ acres, shares real estate and business personal property taxes, and allows for incentives for business locating in the park. A prospect with a planned \$1.5 billion investment visited the park. Surplus land was reviewed for disposition, including listing of 34+ acres around the historic Mebane House for sale. The Commerce Park is led by an Executive Committee of: Chris McKlarney of Giles County, Chair; Basil Edwards of Radford, Vice-Chair; Shawn Utt of Pulaski County, Secretary/Treasurer; Brian Hamilton of Montgomery County; and Jay Polen of Craig County.

VA's 1<sup>st</sup> supported planning and feasibility analysis for Project NEEMO (Nanomaterials for Energy, Environmental and Medical Operations) with offer of an option for siting the proposed Virginia Nanotechnology Park at the Commerce Park and funding for Project NEEMO feasibility analysis and Nanomaterials business recruitment. VA's 1<sup>st</sup> member governments were invited to consider forming a project participation committee for Project NEEMO.

VA's 1<sup>st</sup> continued to offer project support to the New River Valley Competitiveness Center and the NRV Wireless Authority.

The Consolidated Annual Financial Report for VA's 1<sup>st</sup> for FY09 is *attached*.



Suggested wording to amend and reenact § [15.2-6415](#) of the Code of Virginia, relating to the Virginia Regional Industrial Facilities Act.

Be it enacted by the General Assembly of Virginia:

1. That § [15.2-6415](#) of the Code of Virginia is amended and reenacted as follows:

§ [15.2-6415](#). Dissolution of authority; withdrawal of locality.

A member locality of an authority may, *with the majority approval of all other members of such authority*, withdraw from the authority only (i) upon dissolution of the authority as set forth herein, or (ii) *upon a resolution adopted by the governing body of a member locality and after satisfaction of such member locality's legal obligations, including repayment of its portion of any debt incurred, with regard to the authority, or after making contractual provisions for the repayment of its portion of any debt incurred, with regard to the authority, as well as pledging to pay general dues for operation of the authority for the current and succeeding fiscal year following the effective date of withdrawal. No member seeking withdrawal shall retain, without the consent of a majority of the remaining members, any rights to contributions made by such member, to any property held by such authority or to any revenue sharing as allowed by 15.2-6406 and 15.2-6407 . Upon withdrawal, the withdrawing member shall also return to the authority any dues or other contributions refunded to such member during its membership in the authority.* Whenever the board determines that the purpose for which the authority was created has been substantially fulfilled or is impractical or impossible to accomplish and that all obligations incurred by the authority have been paid or that cash or a sufficient amount of United States government securities has been deposited for their payment, or provisions satisfactory for the timely payment of all its outstanding obligations have been arranged, the board may adopt resolutions declaring and finding that the authority shall be dissolved. Appropriate attested copies of such resolutions shall be delivered to the Governor so that legislation dissolving such authority may be introduced in the General Assembly. The dissolution of an authority shall become effective according to the terms of such legislation. The title to all funds and other property owned by such authority at the time of such dissolution shall vest in the member localities which have contributed to the authority in proportion to their respective contributions.

# Virginia's First Regional Industrial Facility Authority

## Reserve Fund Use Options

|  | Notes:   | Amount    |
|--|--|-----------|
| <b>Estimated Minimum VA 1st Reserve July 1, 2009</b> | Based on \$737,147.19 6/10/09 balance and \$48,898 expected FY 2009-10 surplus | \$750,000 |

### Options for Use of Cash Reserve

|  |   |               |
|--|---|---------------|
| Retainage for Continuing VA 1st Administration | A reasonable amount should be retained for organizational continuity and flexibility.   | \$ 150,000.00 |
| Available for Member(s) Use                    | Approximate amount available July 1, 2009 including current balance and surplus dues for 2009-10, estimated at \$40,000 per member. | \$ 600,000.00 |

### Individual VA 1st Member Options

|                                      |  |              |
|--------------------------------------|--|--------------|
| Refund                               | Members not investing in a participation project may desire return of investment.  | \$ 40,000.00 |
| Drawdown Against Future or Past Dues | Members not investing in a participation project may desire application toward future dues or catch up on any past dues. | \$ 40,000.00 |

### Joint or Individual VA 1st Member Options

|   |  |                       |
|---|--|-----------------------|
| Investment in Commerce Park Equity          | Current members have invested \$38.40 cents per share in the Commerce Park principal of \$5.76 million. At \$40 per share 1,000 shares could be purchased for a one time payment of \$40,000. An alternative might be to invest \$40,000 for 1,600 shares to catch up with the current 11 member investment of financed debt at \$25 per share for 9 years of payments to date. The catch up investment would be matched with a pledge at \$2.75 per year (\$1,600) and pledge to make the remaining 29 years payments at \$2.75 per share or \$4,400 per year . | \$40,000 to \$600,000 |
| Investment in Project NEEMO                 | Members may wish to make an investment or contribution to Project NEEMO, now estimated at about \$1.60 to \$1.80 per year per share if \$6 to \$7 million is financed.   | \$40,000 to \$600,000 |
| Investment in Future Participation Projects | Members may wish to invest portions of their reserve fund in a future project.   | \$40,000 to \$600,000 |
| Investment in Commerce Park Infrastructure  | The current 11 Commerce Park members may wish to pledge their combined reserve of about \$440,000 for the Commerce Park 1 MGD water and sewer availability payment.  | \$ 440,000.00         |
| Loan to Future Participation Projects       | Members might choose to individually or collectively loan reserve funds to future projects.  | \$40,000 to \$600,000 |
| Loan to Commerce Park Infrastructure        | Members might choose to individually or collectively loan reserve funds for Commerce Park infrastructure investment.   | \$40,000 to \$600,000 |

**AGREEMENT CREATING VIRGINIA'S FIRST  
REGIONAL INDUSTRIAL FACILITY AUTHORITY**

**WHEREAS**, in compliance with the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950 as amended (the 'Act'), the undersigned governing bodies of the creating political subdivisions have determined that the economic growth and development of the localities and the comfort, convenience and welfare of their citizens require the development of facilities; and,

**WHEREAS**, such governing bodies have further determined that joint action through a regional industrial facility authority will facilitate the development of the needed facilities.

**NOW THEREFORE**, the named political subdivisions of the Commonwealth of Virginia hereby agree to create Virginia's First Regional Industrial Facility Authority, a public body politic and corporate created pursuant to the Act, subject to the following terms and conditions:

**I. NAME**

The name of the authority shall be "Virginia's First Regional Industrial Facility Authority" and the address of its principal office is P.O. Box 3726, Radford, Virginia, 24143.

**II. PARTIES TO VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY AGREEMENT**

The initial members of the Authority are:

|                                      |                                    |
|--------------------------------------|------------------------------------|
| The County of Bland, Virginia        | The County of Craig, Virginia      |
| The County of Giles, Virginia        | The County of Montgomery, Virginia |
| The County of Pulaski, Virginia      | The County of Roanoke, Virginia    |
| The County of Wythe, Virginia        | The City of Radford, Virginia      |
| The City of Roanoke, Virginia        | The City of Salem, Virginia        |
| The Town of Christiansburg, Virginia | The Town of Dublin, Virginia       |
| The Town of Narrows, Virginia        | The Town of Pearisburg, Virginia   |
| The Town of Pulaski, Virginia        |                                    |

each of which is a political subdivision of the Commonwealth of Virginia, are authorized by the Act to participate in this Authority and collectively are the "Member Localities".

**III BOARD OF THE AUTHORITY**

There shall be two (2) representatives appointed by each Member Locality to serve on the Board of the Authority which shall exercise the powers of the Authority. Members representing the respective political subdivisions shall be appointed, serve and be governed by the provisions of § 15.2-6403 of the Code of Virginia, 1950, as amended. The initial term of office of the members shall begin on the date of the creation of the Authority. Each member of the board, before entering upon the discharge of the duties of the office, shall take and subscribe to the oath prescribed in § 49-1 of the Code of Virginia, 1950, as amended.

#### **IV FINDINGS AND PURPOSE FOR WHICH THE AUTHORITY IS CREATED**

The Member Localities hereby agree to the following findings and purposes for which the Authority is created:

- A. The economy of Western Virginia has not kept pace with those of much of the rest of the Commonwealth. Individual localities in the region often lack the financial resources to assist in the development of economic development projects. Providing a mechanism for localities in the region to cooperate in the development of facilities will assist the region in overcoming this barrier to economic growth. The creation of regional industrial facility authorities will assist this area of the Commonwealth in achieving a greater degree of economic stability.
- B. The purpose of the regional industrial facility authority is to enhance the economic base for the Member Localities by developing, owning, and/or operating one or more facilities on a cooperative basis involving its member localities.
- C. The exercise of the powers granted by the Act shall be in all respects for the benefit of the inhabitants of the region and other areas of the Commonwealth, for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity.
- D. That the economic growth and development of this region and the comfort, convenience and welfare of its citizens require the development of facilities and joint action through a regional industrial facility authority facilitating the development of the needed facilities.

#### **V. INDUSTRIAL FACILITIES**

There is a wide variety of projects which the Authority may select to undertake in meeting the purposes of the Act. The Authority may undertake any project authorized by the Act. The Authority may also support and participate in any project authorized by the Act for which any Member Locality requests assistance, provided that the assets, faith and credit of the Authority may not be pledged without the consent of all Member Localities. Where the Authority does not have adequate resources to undertake an additional project, the Authority shall seek the participation of Member Localities. No such project shall be undertaken by the Authority until it shall have received the support and adequate commitment of financial resources to fund the project.

#### **VI. PARTICIPATION AGREEMENTS**

The Authority may undertake to participate in any project authorized by the Act and undertaken by any one or more of the Member Localities. Such participation shall be on such terms and conditions as the Board of the Authority and the localities participating in the project may agree, and may include participation by public and private entities not members of the Authority, provided that the assets, faith and credit of the Authority may not be pledged without the consent of all Member Localities. The Authority may issue bonds and other indicia of debt based solely upon such participating agreements. Each Member Locality may consider its terms of participation in each proposed project in accordance with the participating agreement establishing such project. With the exception of any Authority bond fee and the possible recovery of any of the Authority's costs and expenses, any benefits of any project to be distributed to the Member Localities shall be paid and apportioned in accordance with the participating agreement for that project.

#### **VII. GENERAL OPERATIONS OF THE AUTHORITY**

The general business of the Authority, including the issuance of bonds not based upon the full faith, credit and assets of the Authority and the expenditure of funds for general expenses, shall be conducted by majority action of the Board of the Authority, provided, such Board may create an executive committee and such other committees as the Board may direct, including project committees. The Authority shall, from time to time, by majority action of the Board of the Authority, establish such fees as shall be necessary to be paid by the Member Localities to support the general activities of the Authority, provided, however, that, without its express agreement, no Member Locality shall be required to pay fees and assessments in excess of five thousand dollars (\$5,000) per year to support the general activities of the Authority.

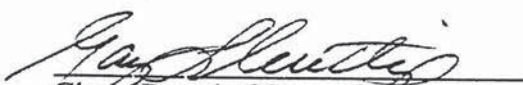
**VIII. POWERS OF THE AUTHORITY**


The Authority is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. The Authority shall have all rights, duties and powers provided by the provisions of the Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, including the power to issue bonds for any valid purpose.


**IN WITNESS WHEREOF**, the Governing Bodies identified, by authorized action, have caused this Agreement to be executed, and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing this 1<sup>st</sup> day, of September, 1998.

**COUNTY OF BLAND, VIRGINIA**

Attest:


  
Clerk, Board of Supervisors



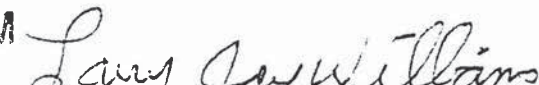
  
Chairman, Board of Supervisors

**COUNTY OF GILES, VIRGINIA**

Attest:


  
Clerk, Board of Supervisors

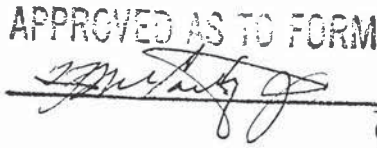
APPROVED AS TO FORM  


  
Chairman, Board of Supervisors

**COUNTY OF PULASKI, VIRGINIA**

Attest:

  
Clerk, Board of Supervisors

APPROVED AS TO FORM  


  
Chairman, Board of Supervisors



COUNTY OF WYTHE, VIRGINIA

Attest:

R. Albert Dalton  
Clerk, Board of Supervisors

APPROVED AS TO FORM

W. B. Shantz  
Chairman, Board of Supervisors

CITY OF ROANOKE, VIRGINIA

Attest:

Mary J. Parker  
Clerk, City Council

APPROVED AS TO FORM  
[Signature]  
City Attorney

D. L. Berman  
Mayor, City of Roanoke

TOWN OF CHRISTIANSBURG, VIRGINIA

Attest:

Julie L. West  
Clerk, Town Council

William J. McShee  
Town Attorney  
Christiansburg  
Virginia

Harold E. Linkous  
Mayor, Town of Christiansburg

TOWN OF NARROWS, VIRGINIA

Attest:

Jammy R. Johnston  
Clerk, Town Council

APPROVED AS TO FORM

Harold E. Linkous  
Mayor, Town of Narrows

TOWN OF PULASKI, VIRGINIA

Attest:

Katherine Conroy  
Clerk, Town Council

APPROVED AS TO FORM

John A. Johnston  
Mayor, Town of Pulaski

COUNTY OF CRAIG, VIRGINIA

Attest:

Ross S. Lamm  
Clerk, Board of Supervisors

APPROVED AS TO FORM

[Signature]  
Chairman, Board of Supervisors

COUNTY OF MONTGOMERY, VIRGINIA

Attest:

[Signature]  
Clerk, Board of Supervisors

*Approved as to form  
Wm. M. Mendenhall*

Joseph V. Gorman  
Chairman, Board of Supervisors

COUNTY OF ROANOKE, VIRGINIA

Attest:

Mary H. Allen  
Clerk, Board of Supervisors

APPROVED AS TO FORM

[Signature]

[Signature]  
Chairman, Board of Supervisors

CITY OF RADFORD, VIRGINIA

Attest:

Judith J. Bruce  
Clerk, City Council  
Deputy Clerk

*Approved as to form  
9/17/98  
[Signature]  
city attorney*

Thomas J. Stone  
Mayor, City of Radford

CITY OF SALEM, VIRGINIA

Attest:

Robert Jones  
Clerk, City Council

APPROVED AS TO FORM

[Signature]

Carl E. Taylor  
Mayor, City of Salem

TOWN OF DUBLIN, VIRGINIA

Attest:

[Signature]  
Clerk, Town Council

APPROVED AS TO FORM

[Signature]

Walter S. Kister  
Mayor, Town of Dublin

TOWN OF PEARISBURG, VIRGINIA

Attest:

Judy R. Hance  
Clerk, Town Council

APPROVED AS TO FORM

[Signature]

John H. Bowers Jr.  
Mayor, Town of Pearisburg

Guynn, Memmer & Dillon, P.C.

RECEIVED

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SALEM, VA 24153  
TELEPHONE (540) 387-2320  
FACSIMILE (540) 389-2350

NOV 10 2008

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November 5, 2008

The Honorable Robert F. McDonnell  
Attorney General  
Commonwealth of Virginia  
Office of the Attorney General  
900 East Main Street  
Richmond, Virginia 23219

Re: Request for Opinion on behalf of Virginia's First Regional Industrial  
Facility Authority

Dear Attorney General McDonnell:

As counsel for the Virginia's First Regional Industrial Facility Authority (hereafter "VFRIFA") and pursuant to Virginia Code § 2.2-505, I hereby request an opinion of the Attorney General on the issue presented below. As required, this letter provides a statement of the facts together with my legal conclusions.

STATEMENT OF THE FACTS

VFRIFA is a body corporate organized and created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia (the "Act") by concurrent resolutions of the Board of Supervisors of Bland, Craig, Giles, Montgomery, Pulaski, Roanoke and Wythe Counties and the City Councils of Roanoke, Radford and Salem and the Town Councils of Christiansburg, Dublin, Narrows, Pearisburg and Pulaski on September 1, 1998. The Authority is governed by thirty directors appointed by the participating localities. Each jurisdiction appoints two directors. The purpose of the Authority is to enhance the economic base for the member localities by developing, owning and operating one or more facilities on a cooperative basis. As such, the Authority is authorized to expend such funds as may be available to it for the purpose of developing industrial facilities, including but not limited to (i) purchasing real estate; (ii) grading sites (iii) improving, replacing and extending water, sewer, natural gas, electrical and other utility lines; (iv) constructing, rehabilitating and expanding buildings; (v) constructing parking facilities; (vi) constructing access roads, streets, and rail lines; (vii) purchasing or leasing machinery and tools; and (viii) making any other improvements deemed necessary by the Authority to meet its objectives. Each member of the VFRIFA pays an annual fee of \$5,000 to VFRIFA to participate.



The Honorable Robert F. McDonnell  
Attorney General  
Request for Opinion  
November 4, 2008  
Page 2 of 3

Section VII of the “General Operations of the Authority” provisions of the agreement creating the VFRIFA provides as follows:

The Authority [VFRIFA] shall, from time to time, by majority action of the Board of the Authority, establish such fees as shall be necessary to be paid by the Member Localities to support the general activities of the Authority, provided, however, that without its express agreement, no Member Locality shall be required to pay fees and assessments in excess of five thousand dollars (\$5,000) per year to support the general activities of the Authority.” The fees as of October of 2007 had resulted in a fund of approximately \$500,000. To date, only a small amount of the general account funds have been expended to support the development of new projects.

On October 14, 1999, the VFRIFA entered into an agreement with certain of its members and the town of Dublin (the Counties of Craig, Giles, Montgomery, Pulaski, Roanoke, Wythe, Bland and the Cities of Radford and Roanoke, and the Towns of Dublin, Pearisburg and Pulaski) styled “The New River Valley Commerce Park Project Participation Agreement (the members shall hereafter be referred to as “the Participation Committee”). Wythe County later withdrew from the Participation Agreement. This agreement was entered into for purposes of developing the New River Valley Commerce Park, including the purchase of approximately 580 acres of land in Pulaski County Virginia and the financing of the Commerce Park Project by the issuance of bonds by VFRIFA. The Commerce Park Participation Committee members pay their own annual share of the project above and beyond the Authority Fee to fund the Commerce Park development. As noted above, not all members of the Authority are also members of the Participation Committee.

In 2007 the Participating Committee for the New River Valley Commerce Park began the process of developing an updated business plan for the park. As part of that process a question was presented to the Board of the VFRIFA as follows:

#### QUESTION PRESENTED

Can general funds in the VFRIFA general account be used to support the Commerce Park Participation Committee?

The Honorable Robert F. McDonnell

Attorney General

Request for Opinion

November 4, 2008

Page 3 of 3

An argument has been put forward by an attorney for one of the members that use of VFRIFA general account funds to support the Participation Committee would result in some members contributing more than \$5,000 per year toward the general activities of VFRIFA and therefore is not permissible.

LEGAL CONCLUSION

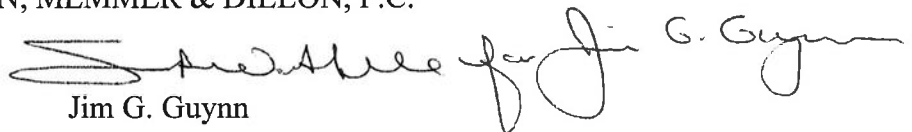
This firm is of the opinion that the question may be answered affirmatively if the expenditure is approved by the Board of the VFRIFA based on the following analysis:

VFRIFA is granted broad powers under the Virginia Regional Industrial Facilities Act, including the power to invest VFRIFA funds, to expend "such funds as may be available to it for the purpose of developing facilities," to "[e]nter into agreements with any other political subdivision of the Commonwealth for joint or cooperative action," and to do "all things necessary or convenient to carry out the purposes of this chapter." Va. Code § 15.2-6405. The expenditure of funds to support the Commerce Park Participation Committee comports with the purpose of VFRIFA and is allowed by the Act. The Board of VFRIFA must approve any general expenditure, so the interests of the non-participating localities are protected by their representatives on the Board. This firm is also of the opinion that The VFRIFA General Operating Agreement limitation on member fees to no more than \$5,000 does not by its terms prohibit VFRIFA from contributing its general funds to entities whose contributing members may include members of VFRIFA, even if this would result in a particular member of VFRIFA contributing more than \$5,000 a year toward projects supported by VFRIFA. This firm interprets the \$5,000 restriction as a cap on dues payable to VFRIFA and not as a cap on the amount that a member locality may be required to pay toward a project supported by VFRIFA and another entity, where a member of VFRIFA is also a member of another entity.

Due to the conflict of opinion between counsel, the Board of VFRIFA has requested this question to be submitted to your office for an opinion.

Respectfully submitted,

GUYNN, MEMMER & DILLON, P.C.

  
Jim G. Guyann

JHG/SAW

cc: Keith Holt, Chairman ✓

RE: EXCERPT FROM NOVEMBER 19, 2009 NEW RIVER VALLEY COMMERCE PARK PARTICIPATION COMMITTEE MINUTES REGARDING PROPOSED SECOND AMENDMENT TO PARTICIPATION AGREEMENT

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

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

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

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

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

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

~~SECOND AMENDMENT TO THE NEW RIVER VALLEY COMMERCE PARK PROJECT PARTICIPATION AGREEMENT~~

~~THIS SECOND AMENDMENT TO THE PARTICIPATION AGREEMENT (the "Second Amendment to Participation Agreement") is dated this \_\_\_ day of \_\_\_\_\_, 2010 between and among Virginia's First Regional Industrial Facility Authority and the Participants defined below.~~

~~WITNESSETH:~~

~~WHEREAS, the undersigned governing bodies are each member localities of Virginia's First Regional Industrial Facility Authority ("the Authority") a body corporate, organized and created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 Title 15.2 of the Code of Virginia, 1950, as amended ("the Act"); and~~

~~WHEREAS, pursuant to the authority granted under the Act to enter into agreements for the development of regional economic development projects the Authority and the County of Craig, Virginia, the~~

~~County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Wythe, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the City of Roanoke, Virginia the Town of Dublin, Virginia, the Town of Pearisburg, Virginia and the Town of Pulaski, Virginia each entered into the New River Valley Commerce Park Project Participation Agreement Initial Phase dated as of October 14, 1999 (“the Participation Agreement”) for the development of the Commerce Park Project; and~~

~~WHEREAS, on August 8, 2001, the Participation Agreement was amended whereby County of Wythe was allowed to sell its shares to the remaining participants and withdraw from the Participation Agreement leaving the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the County of Roanoke, Virginia, the Town of Dublin, Virginia, the Town of Pearisburg, Virginia, and the Town of Pulaski, Virginia as the remaining participants (“the Participants”); and~~

~~WHEREAS, the Authority and the Participants desire to amend the Participation Agreement a second time by (1) expanding the scope of the Project Description to include all actions taken place to date and to acknowledge regional planning objectives pending project based financing; (2) by amending the required voting approval before the Participation Committee may act to lease, use, sell encumber, transfer or dispose of any real or personal property comprising of part or all of the Project; (3) by amending the Finance Plan for the project by including the use of money from the sale of surplus property and the use of surplus Authority dues money upon unanimous consent of all member jurisdictions of the Authority allowing the Authority to pledge such surplus Authority money, as well as confirm the outstanding debt on behalf of the Commerce Park; and (4) by amending the Revenue Sharing provision to provide for the sharing of Business Personal Property taxes and Real Estate Taxes between the host community Pulaski County and the Participants with a portion of this additional revenue to be eligible to be offered by the Participants as incentive to attract businesses to the Commerce Park.~~

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

- ~~1. That the Participation Agreement is amended in accordance with this Second Amendment to the New River Valley Commerce Park Project Participation Agreement and~~

~~except as amended by the First Amendment and this Second Amendment, the Agreement is confirmed, reiterated and ratified.~~

~~2. The Scope of the Project Description as defined in paragraph I. of the Participation Agreement is hereby amended to include the following additional components:~~

- ~~• acquisition of all land located in Pulaski County, Virginia, now titled to the Authority, including:~~

| <u>Tax Map Parcel</u>          | <u>Acres<br/>from<br/>Tax<br/>Map</u> | <u>From:</u>  |
|--------------------------------|---------------------------------------|---|
| <del>036-005-0000-0003</del>   | <del>411.98</del>                     | <del>J. B. Collins, III &amp; Sally Cloyd-Collins Evans; Douglas R. Cullip &amp; Emogene R. Cullip and Industrial Development Authority of Pulaski County, Virginia</del> |
| <del>047-048-0000-0004</del>   | <del>36.52</del>                      | <del>Douglas R. Cullip &amp; Emogene R. Cullip; and Andy &amp; Becky Cullip</del>   |
| <del>047-048-0000-0010</del>   | <del>65.222</del>                     | <del>Cullips and Evans/Collins in buffer zone</del>   |
| <del>036-003-0000-0005</del>   | <del>5</del>                          | <del>New River Valley Airport Commission member governments for entrance road</del>   |
| <del>036-003-0000-0006</del>   | <del>5</del>                          | <del>Pledged for transfer to NRV Airport Commission</del>   |
| <del>036-005-0000-0003</del>   | <del>340.898</del>                    | <del>Edwina Dalton-Phillips purchase</del>  |
| <del>037-001-0000-0021</del>   | <del>55.102</del>                     | <del>Edwina Dalton-Phillips donation</del>  |
| <del>Total Acreage</del>       | <del>919.72</del>                     | <del>From Tax Map</del>   |
| <del>Developable Acreage</del> | <del>657.5</del>                      | <del>From May 2004 Master Plan</del>  |

- ~~• wastewater capacity reservation and cost recovery agreement of November 3, 2005 for 24 " sewer gravity main crossing Shelor Race Complex~~
- ~~• transfer of five acres to New River Valley Airport Commission member governments in return for the five acre entrance road parcel acquired from the Airport Commission~~
- ~~• surplus property sale of 36.532 acres zoned A-1 including former Mebane house~~
- ~~• reservation of one million gallons per day (MGD) water and sewer capacity from PULASKI COUNTY PUBLIC SERVICE AUTHORITY (PSA), along with customer pledge to pay one-third (1/3) of PSA debt service for related three MGD system water and sewer expansion~~
- ~~• marketing and development of large lots but also smaller lots in order to maximize the development of the Commerce Park.~~
- ~~• regional planning objectives pending project based financing, including:
 
  - ~~○ extension of rail service to Commerce Park sites;~~
  - ~~○ extension of electric transmission line and substation to Commerce Park sites, including implementation of the American Electric Power plan of 2008;~~
  - ~~○ extension of Virginia Department of Transportation (VDOT) roadways to serve Commerce Park sites and along border with NRV Airport for a transportation thoroughfare;~~~~

- ~~○ disposition of additional land that may be declared surplus, including land southeast of Rhuebush road and along the southern Commerce Park border in excess of the required 300 feet wide green space buffer;~~
- ~~○ host for the proposed Virginia's Nanotechnology Park; and~~
- ~~○ additional projects with project based financing pursuant to the August 8, 2001 Agreement for Project Based Financing by Virginia's First Regional Industrial Facility Authority.~~

~~3. Paragraph II of the Participation Agreement is hereby amended to require that the Participation Committee may not lease, sell, encumber, transfer or dispose of any real or personal property comprising of the Project or authorize the Authority to do the same without an affirmative vote of both a majority of the shares entitled to vote and a affirmative vote of two thirds of the Participants, which two thirds is determined to be seven of the eleven current members.~~

~~4. The Financing Plan as defined in paragraph IX of the Participation Agreement is hereby amended to recognize the current debt obligations for the Commerce Park and include the following additional sources of revenue:~~

- ~~● The proceeds of:
 
  - ~~● Rural Development Revenue Bond of March 19, 2002 with annual interest of 4.75% and June 30, 2009 outstanding balance of \$1,971,008;~~
  - ~~● Rural Development Revenue Bond of March 2, 2005 with annual interest of 4.35% and June 30, 2009 outstanding balance of \$2,218,409; and~~
  - ~~● A commercial bank loan of March 19, 2002 with variable interest and June 30, 2009 outstanding balance of \$1,177,588.~~~~
- ~~● The use of money from the sale of surplus property that was previously purchased by the Participants but now deemed surplus.~~
- ~~● The use of surplus Authority dues money upon unanimous consent of all member jurisdictions of the Authority authorizing the use of the surplus dues.~~
- ~~● An estimated \$3.1 million loan or other financing to the Pulaski County Public Service Authority to match a grant from the US Department of Commerce Economic Development Administration to be used for the purpose of extending water and sewer infrastructure to serve the New River Valley Commerce Park, of which financing one third is to be pledged as a capacity reservation fee to provide one million gallons per day (MGD) water and sewer capacity to the Commerce Park.~~
- ~~● Refunding of bonds, procurement of new commercial bank financing, or changes in debt financing, when deemed advantageous by the Commerce Park Participation Committee.~~

~~This amendment to the Financing Plan shall not result in the Participants incurring any additional costs beyond the existing annual dues and their individual share payments.~~

~~5. The Revenue Sharing as defined in paragraph XII of the Agreement is hereby amended to include the sharing of additional tax revenues to include business personal property taxes and real estate taxes assessed by the host community Pulaski County to be shared between the host community Pulaski County and the Participants for a period of fifteen years as defined below once these taxes are assessed due to a business locating in the Park. The parties agree that for the years 1 through 9 Pulaski County and the Participants shall share equally 100% of the business personal property and real estate taxes assessed. For years 10 through 11 Pulaski County and the Participants shall share equally 75% of the business personal property and real estate taxes assessed. For years 12 through 13 Pulaski County and the Participants shall share equally 50% of the business personal property and real estate taxes assessed. For years 14 through 15 Pulaski County and the Participants shall share equally 25% of the business personal property and real estate taxes assessed. The parties recognize that Pulaski County's agreement to share the business personal property taxes and the real estate taxes assessed by Pulaski County as the host community with the Participants is a moral obligation and not a legal debt of Pulaski County and the payment of those additional tax revenues to the Participants is subject to annual appropriation of the Board of Supervisors of Pulaski County. The revenue generated from the business personal property taxes and the real estate taxes shall not be subject to the 5% host fee or the 1% Authority administrative fee that is applicable to revenue generated by machinery and tools tax.~~

~~The Participants agree that the business personal property and real estate taxes referenced above that would be generated in the first seven (7) years may be offered by the Participants as incentive to locate industry to the New River Valley Commerce Park upon an affirmative vote of both a majority of the shares entitled to vote and two thirds of the Participants, which two thirds is determined to be seven of the eleven current members.~~

~~6. If any provision of this Second Amendment to the Participation Agreement shall be held invalid by any court of competent jurisdiction such holding shall not invalidate any other provisions hereof.~~

~~7. This Second Amendment to the Participation Agreement may be executed in any number of counterparts each of which shall be an original together they shall constitute but one and the same Second Amendment to the Participation Agreement.~~

~~THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK~~



~~VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY~~

Attest:

~~Approved as to form:~~

\_\_\_\_\_  
Secretary of the  
Authority Board

\_\_\_\_\_  
Attorney, VERIFA

\_\_\_\_\_  
Chairman, Authority Board

~~COUNTY OF BLAND, VIRGINIA~~

Attest:

~~Approved as to form:~~

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

~~COUNTY OF CRAIG, VIRGINIA~~

Attest:

~~Approved as to form:~~

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

~~TOWN OF DUBLIN, VIRGINIA~~

Attest:

~~Approved as to form:~~

\_\_\_\_\_  
Clerk, Town Council

\_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
Mayor

~~COUNTY OF GILES, VIRGINIA~~

Attest:

~~Approved as to form:~~

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

~~COUNTY OF MONTGOMERY, VIRGINIA~~

Attest:

~~Approved as to form:~~

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

~~TOWN OF PEARISBURG, VIRGINIA~~

Attest:

~~Approved as to form:~~

~~Clerk, Town Council~~

~~Town Attorney~~

~~Mayor~~

~~COUNTY OF PULASKI, VIRGINIA~~

Attest:

~~Approved as to form:~~

~~Clerk, Board of Supervisors~~

~~County Attorney~~

~~Chairman, Board of Supervisors~~

~~TOWN OF PULASKI, VIRGINIA~~

Attest:

~~Approved as to form:~~

~~Clerk, Town Council~~

~~County Attorney~~

~~Mayor~~

~~CITY OF RADFORD, VIRGINIA~~

Attest:

~~Approved as to form:~~

~~Clerk, City Council~~

~~County Attorney~~

~~Mayor~~

~~CITY OF ROANOKE, VIRGINIA~~

Attest:

~~Approved as to form:~~

~~Clerk, City Council~~

~~County Attorney~~

~~Chairman, Board of Supervisors~~

~~COUNTY OF ROANOKE, VIRGINIA~~

Attest:

~~Approved as to form:~~

~~Clerk, Board of Supervisors~~

~~County Attorney~~

~~Chairman, Board of Supervisors~~

~~VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Secretary of the  
Authority Board~~

~~\_\_\_\_\_  
Attorney, VERIFA~~

~~\_\_\_\_\_  
Chairman, Authority Board~~

~~COUNTY OF BLAND, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Board of Supervisors~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

~~COUNTY OF CRAIG, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Board of Supervisors~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

~~TOWN OF DUBLIN, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Town Council~~

~~\_\_\_\_\_  
Town Attorney~~

~~\_\_\_\_\_  
Mayor~~

~~COUNTY OF GILES, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Board of Supervisors~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

~~COUNTY OF MONTGOMERY, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Board of Supervisors~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

~~TOWN OF PEARISBURG, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Town Council~~

~~\_\_\_\_\_  
Town Attorney~~

~~\_\_\_\_\_  
Mayor~~

~~COUNTY OF PULASKI, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Board of Supervisors~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

~~TOWN OF PULASKI, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Town Council~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Mayor~~

~~CITY OF RADFORD, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, City Council~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Mayor~~

~~CITY OF ROANOKE, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, City Council~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

~~COUNTY OF ROANOKE, VIRGINIA~~

~~Attest:~~

~~Approved as to form:~~

~~\_\_\_\_\_  
Clerk, Board of Supervisors~~

~~\_\_\_\_\_  
County Attorney~~

~~\_\_\_\_\_  
Chairman, Board of Supervisors~~

SECOND AMENDMENT TO THE NEW RIVER VALLEY COMMERCE PARK PROJECT  
PARTICIPATION AGREEMENT

THIS SECOND AMENDMENT TO THE PARTICIPATION AGREEMENT (the “Second Amendment to Participation Agreement”) is dated this \_\_\_ day of \_\_\_\_\_, 2010 between and among Virginia’s First Regional Industrial Facility Authority and the Participants defined below.

W I T N E S S E T H :

WHEREAS, the undersigned governing bodies are each member localities of Virginia’s First Regional Industrial Facility Authority (“the Authority”) a body corporate, organized and created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 Title 15.2 of the Code of Virginia, 1950, as amended (“the Act”); and

WHEREAS, pursuant to the authority granted under the Act to enter into agreements for the development of regional economic development projects the Authority and the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Wythe, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the City of Roanoke, Virginia the Town of Dublin, Virginia, the Town of Pearisburg, Virginia and the Town of Pulaski, Virginia each entered into the New River Valley Commerce Park Project Participation Agreement – Initial Phase dated as of October 14, 1999 (“the Participation Agreement”) for the development of the Commerce Park Project; and

WHEREAS, on August 8, 2001, the Participation Agreement was amended whereby County of Wythe was allowed to sell its shares to the remaining participants and withdraw from the Participation Agreement leaving the County of Craig, Virginia, the County of Giles, Virginia, the County of Montgomery, Virginia, the County of Pulaski, Virginia, the County of Roanoke, Virginia, the County of Bland, Virginia, the City of Radford, Virginia, the County of Roanoke, Virginia, the

Town of Dublin, Virginia, the Town of Pearisburg, Virginia, and the Town of Pulaski, Virginia as the remaining participants (“the Participants”); and

WHEREAS, the Authority and the Participants desire to amend the Participation Agreement a second time by (1) expanding the scope of the Project Description to include all actions taken place to date and to acknowledge planning and feasibility analysis of those activities and projects that are in the Commerce Park adopted Program of Work; (2) amending the required voting approval before the Participation Committee may act to lease, use, sell encumber, transfer or dispose of any real or personal property comprising of part or all of the Project; (3) amending the Finance Plan for the project by including the use of money from the sale of surplus property and the use of surplus Authority dues money upon unanimous consent of all member jurisdictions of the Authority, allowing the Authority to pledge such surplus Authority money, as well as confirm the outstanding debt on behalf of the Commerce Park; and (4) amending the Revenue Sharing provision to provide for the sharing of Business Personal Property taxes and Real Estate Taxes between the host community Pulaski County and the Participants with a portion of this additional revenue to be eligible to be offered by the Participants as incentive to attract businesses to the Commerce Park.

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

1. That the Participation Agreement is amended in accordance with this Second Amendment to the New River Valley Commerce Park Project Participation Agreement and except as amended by the First Amendment and this Second Amendment, the Agreement is confirmed, reiterated and ratified.

2. The Scope of the Project Description as defined in paragraph I. of the Participation Agreement is hereby amended to include the following additional components:

- acquisition of all land located in Pulaski County, Virginia, now titled to the Authority, including:

| <u>Tax Map Parcel</u> | <u>Acres from Tax Map</u> | <u>From:</u>   |
|-----------------------|---------------------------|--|
| 036-005-0000-0003     | 411.981                   | J. B. Collins, III & Sally Cloyd Collins Evans; Douglas R. Cullip & Emogene R. Cullip and Industrial Development Authority of Pulaski County, Virginia |
| 047-048-0000-0004     | 36.520                    | Douglas R. Cullip & Emogene R. Cullip; and Andy & Becky Cullip   |
| 047-048-0000-0010     | 65.222                    | Cullips and Evans/Collins in buffer zone   |
| 036-003-0000-0005     | 5.000                     | New River Valley Airport Commission member governments for entrance road   |
| 036-003-0000-0006     | 5.000                     | Pledged for transfer to NRV Airport Commission   |
| 036-005-0000-0003     | 340.898                   | Edwina Dalton Phillips purchase  |
| 037-001-0000-0021     | 55.102                    | Edwina Dalton Phillips donation  |
| Total Acreage         | 919.723                   | From Tax Map   |
| Developable Acreage   | 657.500                   | From May 2004 Master Plan  |

- wastewater capacity reservation and cost recovery agreement of November 3, 2005 for 24 " sewer gravity main crossing Shelor Race Complex
- transfer of five acres to New River Valley Airport Commission member governments in return for the five acre entrance road parcel acquired from the Airport Commission
- surplus property sale of 36.532 acres zoned A-1 including former Mebane house
- reservation of one million gallons per day (MGD) water and sewer capacity from PULASKI COUNTY PUBLIC SERVICE AUTHORITY (PSA), along with customer pledge to pay one-third (1/3) of PSA debt service for related three MGD system water and sewer expansion
- marketing and development of large lots but also smaller lots in order to maximize the development of the Commerce Park
- planning and feasibility analysis of those activities and projects that are in the Commerce Park adopted Program of Work including:
  - extension of rail service to Commerce Park sites;
  - extension of electric transmission line and substation to Commerce Park sites, including implementation of the American Electric Power plan of 2008;
  - extension of Virginia Department of Transportation (VDOT) roadways to serve Commerce Park sites and along border with NRV Airport for a transportation thoroughfare;
  - disposition of additional land that may be declared surplus, including land southeast of Rhuebush road and along the southern Commerce Park border in excess of the required 300 feet wide green-space buffer;
  - host for the proposed Virginia's Nanotechnology Park; and



- additional projects with project based financing pursuant to the August 8, 2001 Agreement for Project Based Financing by Virginia's First Regional Industrial Facility Authority.

3. Paragraph II of the Participation Agreement is hereby amended to require that the Participation Committee may not lease, sell, encumber, transfer or dispose of any real or personal property comprising the Project or authorize the Authority to do the same without an affirmative vote of both a majority of the shares entitled to vote and an affirmative vote of two-thirds of the Participants, which two-thirds is agreed to be seven of the eleven current members.

4. The Financing Plan as defined in paragraph IX of the Participation Agreement is hereby amended to recognize the current debt obligations for the Commerce Park and include the following additional sources of revenue:

- The proceeds of:
  - Rural Development Revenue Bond of March 19, 2002 with annual interest of 4.75% and June 30, 2009 outstanding balance of \$1,971,008;
  - Rural Development Revenue Bond of March 2, 2005 with annual interest of 4.35% and June 30, 2009 outstanding balance of \$2,218,409; and
  - A commercial bank loan of March 19, 2002 with variable interest and June 30, 2009 outstanding balance of \$1,177,588.
- The use of money from the sale of surplus property that was previously purchased by the Participants but now deemed surplus.
- The use of surplus Authority dues money upon unanimous consent of all member jurisdictions of the Authority authorizing the use of the surplus dues.
- An estimated \$3.1 million loan or other financing to the Pulaski County Public Service Authority to match a grant from the US Department of Commerce Economic Development Administration to be used for the purpose of extending water and sewer infrastructure to serve the New River Valley Commerce Park, of which financing one-third is to be pledged as a capacity reservation fee to provide one million gallons per day (MGD) water and sewer capacity to the Commerce Park.
- Refunding of bonds, such as through procurement of new commercial bank financing, to replace existing commercial bank financing, or other changes in debt financing, when deemed advantageous by the Commerce Park Participation Committee to reduce the cost of existing borrowing.

This amendment to the Financing Plan shall not result in the Participants incurring any additional costs beyond the existing annual dues and their individual share payments.

5. The Revenue Sharing as defined in paragraph XII of the Agreement is hereby amended to include the sharing of additional tax revenues to include business personal property taxes and real estate taxes assessed by the host community Pulaski County to be shared between the host community Pulaski County and the Participants for a period of fifteen years as defined below once these taxes are assessed due to a business locating in the Park. The parties agree that for the years 1 through 9 Pulaski County and the Participants shall share equally 100% of the business personal property and real estate taxes assessed. For years 10 through 11 Pulaski County and the Participants shall share equally 75% of the business personal property and real estate taxes assessed. For years 12 through 13 Pulaski County and the Participants shall share equally 50% of the business personal property and real estate taxes assessed. For years 14 through 15 Pulaski County and the Participants shall share equally 25% of the business personal property and real estate taxes assessed. The parties recognize that Pulaski County's agreement to share the business personal property taxes and the real estate taxes assessed by Pulaski County as the host community with the Participants is a moral obligation and not a legal debt of Pulaski County and the payment of those additional tax revenues to the Participants is subject to annual appropriation of the Board of Supervisors of Pulaski County. The revenue generated from the business personal property taxes and the real estate taxes shall not be subject to the 5% host fee or the 1% Authority administrative fee that is applicable to revenue generated by machinery and tools tax.

The Participants agree that the business personal property and real estate taxes referenced above that would be generated in the first seven (7) years may be offered by the Participants as incentive to locate industry to the New River Valley Commerce Park upon an affirmative vote of both a majority of the shares entitled to vote and two-thirds of the Participants, which two-thirds is determined to be seven of the eleven current members.

6. If any provision of this Second Amendment to the Participation Agreement shall be held invalid by any court of competent jurisdiction such holding shall not invalidate any other provisions hereof.

7. This Second Amendment to the Participation Agreement may be executed in any number of counterparts each of which shall be an original, together they shall constitute but one and the same Second Amendment to the Participation Agreement.

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VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY

Attest: Approved as to form:

\_\_\_\_\_  
Secretary of the  
Authority Board

\_\_\_\_\_  
Attorney, VFRIFA

\_\_\_\_\_  
Chairman, Authority Board

COUNTY OF BLAND, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

COUNTY OF CRAIG, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

TOWN OF DUBLIN, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Town Council

\_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
Mayor

COUNTY OF GILES, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

COUNTY OF MONTGOMERY, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

TOWN OF PEARISBURG, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Town Council

\_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
Mayor

COUNTY OF PULASKI, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

TOWN OF PULASKI, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, Town Council

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Mayor

CITY OF RADFORD, VIRGINIA

Attest: Approved as to form:

\_\_\_\_\_  
Clerk, City Council

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Mayor

CITY OF ROANOKE, VIRGINIA

Attest:

Approved as to form:

\_\_\_\_\_  
Clerk, City Council

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Mayor

COUNTY OF ROANOKE, VIRGINIA

Attest:

Approved as to form:

\_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
County Attorney

\_\_\_\_\_  
Chairman, Board of Supervisors

# **NEW RIVER VALLEY DEVELOPMENT CORPORATION**

**6580 Valley Center Drive, Suite 302, Radford, Virginia 24141**

Phone: (540) 633-6730 Fax: (540) 633-6768



*D. Michael Barber, President*

Mr. David Ingram  
Floyd County  
4933 Floyd Highway North  
Copper Hill, VA 24079

Dear Mr. Ingram:

As Chairman of the New River Valley Development Corporation, I need to let you know the seriousness of the financial situation facing the Corporation in the ongoing operation of the New River Valley Competitiveness Center.

The Competitiveness Center has operated for over 10 years with no investment of any local government funding. While the economic times make it difficult to begin requesting financial support at this time, the economic times make the continued operation of the center that much more critical in our effort to respond to the continued need for new and expanding companies. As shown on the **enclosed** listing, the Competitiveness Center is currently home to 16 private companies and 8 quasigovernment/regional agencies employing 71 residents of our region.

Currently, the Center continues to face average operating losses of \$3,000 per month and no longer has any reserves to pay an interest only debt service payment of \$30,329.71 due and now demanded to be paid to the National Bank of Blacksburg by December 31st.

The Center has been using reserve funds established as part of the Rural Development loan program in order to address a month-to-month imbalance between ongoing revenues and expenditures. However, this reserve fund is now down to \$5,205 or \$25,124 less than the amount required to make the National Bank interest only payment.

Furthermore, the monthly financial imbalance gets worse during the peak winter and summer months due to significant HVAC costs. In an effort to further reduce operating and management costs, Pulaski County is providing for the day-to-day management of the Center with assistance from the PDC both of which are assisting at no cost to the Corporation.

Efforts by the Development Corporation in addressing the finances of the Center have also included the development of the **enclosed** action plan with an ongoing focus on reducing debt service costs. The focus on debt service results from a thorough review of all other costs, the elimination of all non-essential items and the minimization of all controllable cost. Efforts to reduce debt service have been hampered by:

1. Only having three localities willing to provide moral obligation support,
2. The inability to obtain EDA approval to transfer the current shared first lien position securing the grant with a new lender,
3. The lack of support for increasing the rental rate charged to the New River Valley Planning District Commission, and
4. The lack of local government financial support.

Maintaining a sustainable budget while addressing needed internet service improvements would require an additional \$60,000 in annual local government assistance. As you can see from the above figures, this is a sincere plea for assistance of any kind in our efforts to continue operation of regional offices and business incubation services for the NRV.

Local government assistance could come in a variety of forms and could be structured differently to match the ability of each locality individually:

1. Purchase of the facility by one or more local governments to eliminate the current \$2.6 million debt. This would free up \$12,000 per month in debt service payments and likely result in an annual financial dividend back to participating localities.
2. Smaller annual appropriations either directly to the Corporation or through increased payments to the Planning District Commission (to offset higher rent paid to the Development Corporation).
3. Moral obligations necessary to obtain reduced interest on existing financing.
4. In-kind assistance which could be used to reduce existing operating costs.

The Competitiveness Center hosts the offices of the New River Valley Planning District Commission and serves as an important regional meeting place fostering intergovernmental cooperation. The PDC pays a reduced rent in exchange for the bookkeeping and telecommunications services for the Center. It is important to note that current rent charged for space used by the Planning District Commission is approximately 52% of what is charged in the rest of the Center for office use. Increasing the PDC rent to what is charged to other tenants would require the PDC to increase their rent payment by \$22,270 annually. It should be noted that the staff time involved with PCD services would cost the Development Corporation upwards of \$40,000 annually.

In short, anything that can help the bottom line for this important part of the economic and governmental infrastructure of the New River Valley will be appreciated. The loss of local government control of this facility is very likely to result in an increase in the rent charged to the PDC forcing relocation to another facility and/or increased rent likely be paid by local entities anyhow through PDC dues.

I apologize for delivering this troubling news during a busy time of the year. I and members of the Development Corporation Board are at your disposal in discussing the specifics of our situation. We appreciate your consideration to this matter and look forward to hearing from you.

Sincerely,



Mike Barber, Chair  
New River Valley Development Corporation

cc: NRV Development Corporation Board Members  
Doug Phillips, Floyd County  
Helen Harvey, NRVPDC  
John White, Town of Pulaski  
Basil Edwards, City of Radford  
Pete Huber, Pulaski County  
Mary Holliman, Town of Blacksburg



**NEW RIVER VALLEY JOINT BUDGET PROCESS**

**FISCAL YEAR 2011  
BUDGET FORM 1-A**

| <b>AGENCY NAME:</b> Virginia's First Regional Industrial Facility Authority |                  |                  |                  |                  |                           |                           |  |
|---|------------------|------------------|------------------|------------------|---------------------------|---------------------------|--|
| JURISDICTION  | FY 08 FUNDING    | FY 09 FUNDING    | FY 10 FUNDING    | FY 11 REQUEST    | INCREASE/DECREASE FROM 10 | % OF JOINT BUDGET REQUEST |  |
| Montgomery County   | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ -                      | 25%                       |  |
| Pulaski County  | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ -                      | 25%                       |  |
| Giles County  | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ -                      | 25%                       |  |
| Floyd County  | \$ -             | \$ -             | \$ -             | \$ -             | \$ -                      | 0%                        |  |
| City of Radford   | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ 5,000         | \$ -                      | 25%                       |  |
| <b>Total</b>  | <b>\$ 20,000</b> | <b>\$ 20,000</b> | <b>\$ 20,000</b> | <b>\$ 20,000</b> | <b>\$ -</b>               | <b>100%</b>               |  |

**EXPLANATION AND JUSTIFICATION OF REQUEST:** What services will be provided to the citizens in each jurisdiction? How was the dollar amount calculated for each jurisdiction? Why does your agency need the amount of funds requested from each jurisdiction, how will the money be used, what will be accomplished? (Please be as detailed as possible)

Virginia's First Authority was created by fifteen localities in order to acquire and develop regional economic development facilities in the Roanoke Valley, New River Valley and Mt. Rogers regions. The Authority offers the opportunity for sharing the risk and cost, as well as the direct property tax revenue and other more general economic benefit of regional economic development initiatives. The \$5,000 annual dues for Authorities members was established by the intergovernmental agreement adopted September 1, 1998. The agreement created the Authority pursuant to Chapter 64, Section 15.2 of the 1950 Code of Virginia, as amended. Authority dues cover the general administrative expenses of the Authority, as well as assisting in economic development projects. Authority members include: Radford, Roanoke and Salem cities; Christiansburg, Dublin, Narrows, Pearisburg and Pulaski towns; Bland, Craig, Giles, Montgomery, Pulaski, Roanoke and Wythe counties. In 2009, a two year Program of Work to renew the Authority goals was adopted.

**Explain the impact of reduced locality funding.**  
In the 1998 organizational agreement, the Authority member localities have authorized annual dues of up to \$5,000. Reduction of dues for the 15 member governments has not proven practical. Currently the Authority is considering determining the use of accrued dues that may be determined surplus. Such surplus dues are being considered for return to the contributing member locality or applying to new economic development initiatives. If declared surplus, such accrued dues of up to \$40,000 per member can be used for future dues and reduce the need for funding dues during tight budget years.

| <b>Other PROJECTED funding sources for FY 11:</b> |                  |                   |  |
|---|------------------|-------------------|--|
| Towns   | Amount           | % of Total Budget |  |
| Christiansburg                                    | \$ 5,000         | 6.4%              |  |
| Blacksburg  | \$ -             | 0.0%              |  |
| Floyd   | \$ -             | 0.0%              |  |
| Pulaski   | \$ 5,000         | 6.4%              |  |
| Dublin  | \$ 5,000         | 6.4%              |  |
| Pearisburg  | \$ 5,000         | 6.4%              |  |
| Narrows   | \$ 5,000         | 6.4%              |  |
| other members                                     | \$ 30,000        | 38.5%             |  |
| Fees  | \$ -             | 0.0%              |  |
| State   | \$ -             | 0.0%              |  |
| Federal   | \$ -             | 0.0%              |  |
| interest  | \$ 3,000         | 3.8%              |  |
|   | \$ -             | 0.0%              |  |
|   | \$ -             | 0.0%              |  |
| <b>Total Other Sources:</b>                       | <b>\$ 58,000</b> | <b>74.4%</b>      |  |

| Locality                 | Projected Amount | % of Total Budget | % of Citizens Served in Locality |
|--------------------------|------------------|-------------------|----------------------------------|
| Montgomery County        | \$ 5,000         | 6.4%              | 0.00%                            |
| Pulaski County           | \$ 5,000         | 6.4%              | 0.00%                            |
| Giles County             | \$ 5,000         | 6.4%              | 0.00%                            |
| Floyd County             | \$ -             | 0.0%              | 0.00%                            |
| City of Radford          | \$ 5,000         | 6.4%              | 0.00%                            |
| <b>Total Joint</b>       | <b>\$ 20,000</b> | <b>25.6%</b>      | <b>0.00%</b>                     |
| <b>Total Est. Budget</b> | <b>\$ 78,000</b> | <b>100.0%</b>     |                                  |

**NEW RIVER VALLEY JOINT BUDGET PROCESS**  
**REVENUE AND EXPENSE FORM - FY 11**

Agency Name: Virginia's First Regional Industrial Facility Authority      Yes Gov. Entity             Non-Gov Entity

Contact Person: Joseph N. (Joe) Morgan, Executive Director      Phone: 540.639.1524 ext 218 voice mail

E-mail: jmorgan@nrvc.org

|   | ACTUAL  |                        | BUDGETED                                      |                        | PROPOSED                                      |                        |
|---|---|------------------------|---|------------------------|---|------------------------|
|   | <u>      </u><br>CY 2009<br><u>x</u> FY 08-09 |                        | <u>      </u><br>CY 2010<br><u>x</u> FY 09-10 |                        | <u>      </u><br>CY 2011<br><u>x</u> FY 10-11 |                        |
| <b>REVENUE</b>                            |   |                        |   |                        |   |                        |
| Allocations from other localities:        |   |                        |   |                        |   |                        |
| Montgomery                                | \$  | 5,000                  | \$  | 5,000                  | \$  | 5,000                  |
| Pulaski                                   | \$  | 5,000                  | \$  | 5,000                  | \$  | 5,000                  |
| Giles                                     | \$  | 5,000                  | \$  | 5,000                  | \$  | 5,000                  |
| Floyd                                     | \$  | -                      | \$  | -                      | \$  | -                      |
| Radford                                   | \$  | 5,000                  | \$  | 5,000                  | \$  | 5,000                  |
| Towns - list:                             | \$  | -                      | \$  | -                      | \$  | -                      |
| Salem and Roanoke cities                  | \$  | 10,000                 | \$  | 10,000                 | \$  | 10,000                 |
| Bland, Craig, Roanoke and Wythe counties  | \$  | 20,000                 | \$  | 20,000                 | \$  | 20,000                 |
| Christiansburg and Dublin towns           | \$  | 10,000                 | \$  | 10,000                 | \$  | 10,000                 |
| Pearisburg and Pulaski towns              | \$  | 10,000                 | \$  | 10,000                 | \$  | 10,000                 |
| Contributions                             | \$  | -                      | \$  | -                      | \$  | -                      |
| Fees/Charges                              | \$  | -                      | \$  | -                      | \$  | -                      |
| Local, State, Federal Grants              | \$  | -                      | \$  | -                      | \$  | -                      |
| Other Income (Interest, etc)              | \$  | 7,320                  | \$  | 5,000                  | \$  | 3,000                  |
| United Way Allocations                    | \$  | -                      | \$  | -                      | \$  | -                      |
| <b>TOTAL REVENUE</b>                      | <b>\$</b>                                     | <b>77,320</b>          | <b>\$</b>                                     | <b>75,000</b>          | <b>\$</b>                                     | <b>73,000</b>          |
| <b>EXPENSES</b>                           |   |                        |   |                        |   |                        |
| Contract/Consultation                     | \$  | 14,931                 | \$  | 14,926                 | \$  | 60,200                 |
| Dues/Professional Fees                    | \$  | 1,300                  | \$  | 6,100                  | \$  | 7,500                  |
| Equip & Equip Maintenance                 | \$  | -                      | \$  | -                      | \$  | -                      |
| Facility Expenses (rent, phone, electric) | \$  | -                      | \$  | 974                    | \$  | 1,100                  |
| Information Technology Expenses           | \$  | -                      | \$  | -                      | \$  | -                      |
| Mileage                                   | \$  | -                      | \$  | 2,400                  | \$  | 2,400                  |
| Miscellaneous                             | \$  | 2,508                  | \$  | 950                    | \$  | 1,100                  |
| Other                                     | \$  | -                      | \$  | -                      | \$  | -                      |
| Payroll: Salaries                         | \$  | -                      | \$  | -                      | \$  | -                      |
| Salary of Chief Executive Officer         | \$  | -                      | \$  | -                      | \$  | -                      |
| Payments to Board members                 | \$  | -                      | \$  | -                      | \$  | -                      |
| Payroll: Employee Benefits                | \$  | -                      | \$  | -                      | \$  | -                      |
| Postage                                   | \$  | -                      | \$  | 352                    | \$  | 300                    |
| Printing, Publications                    | \$  | -                      | \$  | -                      | \$  | -                      |
| Supplies                                  | \$  | -                      | \$  | 400                    | \$  | 400                    |
| Training/Conferences                      | \$  | -                      | \$  | -                      | \$  | -                      |
| <b>TOTAL EXPENSES</b>                     | <b>\$</b>                                     | <b>18,739</b>          | <b>\$</b>                                     | <b>26,102</b>          | <b>\$</b>                                     | <b>73,000</b>          |
| <b>Excess/(Deficit) Income-Expenses</b>   | <b>\$</b>                                     | <b>58,581</b>          | <b>\$</b>                                     | <b>48,898</b>          | <b>\$</b>                                     | <b>-</b>               |
| Number of Full Time Positions             |   |                        |   | 0                      |   | 0                      |
| Number of Part Time Positions             |   | 4 - PDC and consultant |   | 4 - PDC and consultant |   | 4 - PDC and consultant |
| Major Property, Equipment Acquisition     |   |                        |   |                        |   |                        |

**NEW RIVER VALLEY JOINT BUDGET PROCESS**

**FISCAL YEAR 2011  
BUDGET FORM 1-A**

**AGENCY NAME:** New River Valley Commerce Park

| JURISDICTION      | FY 08 FUNDING     | FY 09 FUNDING     | FY 10 FUNDING     | FY 11 REQUEST     | INCREASE/DECREASE FROM 10 | % OF JOINT BUDGET REQUEST |
|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------------|---------------------------|
| Montgomery County | \$ 55,851         | \$ 55,851         | \$ 55,851         | \$ 55,851         | \$ -                      | 18%                       |
| Pulaski County    | \$ 180,172        | \$ 180,172        | \$ 180,172        | \$ 180,172        | \$ -                      | 57%                       |
| Giles County      | \$ 55,851         | \$ 55,851         | \$ 55,851         | \$ 55,851         | \$ -                      | 18%                       |
| Floyd County      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                      | 0%                        |
| City of Radford   | \$ 23,258         | \$ 23,258         | \$ 23,258         | \$ 23,258         | \$ -                      | 7%                        |
| <b>Total</b>      | <b>\$ 315,132</b> | <b>\$ 315,132</b> | <b>\$ 315,132</b> | <b>\$ 315,132</b> | <b>\$ -</b>               | <b>100%</b>               |

**EXPLANATION AND JUSTIFICATION OF REQUEST:** What services will be provided to the citizens in each jurisdiction? How was the dollar amount calculated for each jurisdiction? Why does your agency need the amount of funds requested from each jurisdiction, how will the money be used, what will be accomplished? (Please be as detailed as possible)

The site consists of about 1,000 acres, including over 700 acres of contiguous, developable zoned industrial sites, with greenspace buffers. Surplus property is being reviewed for disposition, including current listing of 35+ acres. The site has a 40 acre graded building pad, developed entrance road, and pre-engineered virtual building. It is one of 18 sites listed in the Virginia's 1st region with over 50 acres available and the only publicly owned site in western Virginia with a contiguous parcel larger than 500 acres. Real estate and business personal property tax sharing has been added to the existing machinery and tool tax sharing. One million gallons per day of water and sewer capacity is being extended with construction expected to be completed by 2012. In 2009 the park was visited by a \$1.5 billion planned investment. The project lets member local governments do together what it is impractical to do alone. Annual cost is based on the shares of ownership as established by intergovernmental agreement.

**Explain the impact of reduced locality funding.**  
The New River Valley Commerce Park Participation Committee of Virginia's first Regional Industrial Facility Authority was created to develop the New River Valley Commerce Park Project. The Participation Committee has eleven participating localities: Radford and Roanoke cities; Dublin, Pearisburg, and Pulaski towns; Bland, Craig, Giles, Montgomery, Pulaski and Roanoke counties. The member localities have pledged to undertake the debt and administration associated with the project. Reduced funding will threaten loan default and lack of adequate site management and marketing assistance. Loan default will have an adverse impact on the credit ratings of member governments. The creditors, Stellar One Bank and Rural Development, would assume title to the property. Due to its zoning, the mission of creating large acreage industrial sites available might be maintained. If administrative funds are reduced, member governments may need to provide any required administration and property maintenance in house.

| Other <b>PROJECTED</b> funding sources for FY 11: |           |                   |
|---|-----------|-------------------|
| Towns   | Amount    | % of Total Budget |
| Christiansburg                                    | \$ -      | 0.0%              |
| Blacksburg  | \$ -      | 0.0%              |
| Floyd   | \$ -      | 0.0%              |
| Pulaski   | \$ 20,001 | 4.8%              |
| Dublin  | \$ 2,968  | 0.7%              |
| Pearisburg  | \$ 5,900  | 1.4%              |
| Narrows   | \$ -      | 0.0%              |
| Other - list                                      | \$ -      | 0.0%              |
| Members outside NRV                               | \$ 68,499 | 16.6%             |
| Fees  | \$ -      | 0.0%              |
| State   | \$ -      | 0.0%              |
| Federal   | \$ -      | 0.0%              |
| Other - list                                      | \$ -      | 0.0%              |
|   | \$ -      | 0.0%              |
|   | \$ -      | 0.0%              |

| Locality                 | Projected Amount  | % of Total Budget | % of Citizens Served in Locality |
|--------------------------|-------------------|-------------------|----------------------------------|
| Montgomery County        | \$ 55,851         | 13.5%             |                                  |
| Pulaski County           | \$ 180,172        | 43.7%             |                                  |
| Giles County             | \$ 55,851         | 13.5%             | 0.00%                            |
| Floyd County             | \$ -              | 0.0%              | 0.00%                            |
| City of Radford          | \$ 23,258         | 5.6%              | 0.00%                            |
| <b>Total Joint</b>       | <b>\$ 315,132</b> | <b>76.4%</b>      | <b>0.00%</b>                     |
| <b>Total Est. Budget</b> | <b>\$ 412,500</b> | <b>100.0%</b>     |                                  |

**Total Other Sources:** \$ 97,368 Page 51 of 52 23.6%

**NEW RIVER VALLEY JOINT BUDGET PROCESS**  
**REVENUE AND EXPENSE FORM - FY 11**

Agency Name: New River Valley Commerce Park      yes Gov. Entity                 Non-Gov Entity

Contact Person: Joseph N. (Joe) Morgan, Executive Director      Phone: 540.639.1524 ext 218 voice mail

E-mail: jmorgan@nrvc.org

|   | <b>ACTUAL</b>                                   |                | <b>BUDGETED</b>               |                | <b>PROPOSED</b>               |                |
|---|---|----------------|-------------------------------|----------------|-------------------------------|----------------|
|   | <u>          </u><br>CY 2009                    |                | <u>          </u><br>CY 2010  |                | <u>          </u><br>CY 2011  |                |
|   | <u>  x  </u><br>FY 08-09                        |                | <u>  x  </u><br>FY 09-10      |                | <u>  x  </u><br>FY 10-11      |                |
| <b>REVENUE</b>                            |   |                |                               |                |                               |                |
| Allocations from other localities:        |   |                |                               |                |                               |                |
| Montgomery                                | \$  | 55,851         | \$                            | 55,851         | \$                            | 55,851         |
| Pulaski                                   | \$  | 180,172        | \$                            | 180,172        | \$                            | 180,172        |
| Giles                                     | \$  | 55,851         | \$                            | 55,851         | \$                            | 55,851         |
| Floyd                                     | \$  | -              | \$                            | -              | \$                            | -              |
| Radford                                   | \$  | 23,258         | \$                            | 23,258         | \$                            | 23,258         |
| Towns - list:                             | \$  | -              | \$                            | -              | \$                            | -              |
| Dublin, Pearisburg, Pulaski               | \$  | 28,869         | \$                            | 28,869         | \$                            | 28,869         |
| Bland and Craig counties                  | \$  | 11,744         | \$                            | 11,744         | \$                            | 11,744         |
| Roanoke city and county                   | \$  | 56,755         | \$                            | 56,755         | \$                            | 56,755         |
|   | \$  | -              | \$                            | -              | \$                            | -              |
| Contributions                             | \$  | -              | \$                            | -              | \$                            | -              |
| Fees/Charges                              | \$  | 9,981          | \$                            | 13,795         | \$                            | 10,000         |
| Local, State, Federal Grants              | \$  | -              | \$                            | -              | \$                            | -              |
| Other Income (Interest, etc)              | \$  | 7,230          | \$                            | 5,000          | \$                            | 3,000          |
| United Way Allocations                    | \$  | -              | \$                            | -              | \$                            | -              |
| <b>TOTAL REVENUE</b>                      | \$  | <b>429,711</b> | \$                            | <b>431,295</b> | \$                            | <b>425,500</b> |
| <b>EXPENSES</b>                           |   |                |                               |                |                               |                |
| Contract/Consultation                     | \$  | 46,759         | \$                            | 40,960         | \$                            | 40,960         |
| Dues/Professional Fees                    | \$  | 10,346         | \$                            | 12,600         | \$                            | 12,000         |
| Equip & Equip Maintenance                 | \$  | -              | \$                            | 1,000          | \$                            | 1,000          |
| Facility Expenses (rent, phone, electric) | \$  | 5,946          | \$                            | 12,719         | \$                            | 12,000         |
| Information Technology Expenses           | \$  | -              | \$                            | -              | \$                            | -              |
| Mileage                                   | \$  | -              | \$                            | 2,400          | \$                            | 1,200          |
| Miscellaneous                             | \$  | 409            | \$                            | -              | \$                            | -              |
| Other                                     | \$  | 353,553        | \$                            | 356,525        | \$                            | 356,525        |
| Payroll: Salaries                         | \$  | -              | \$                            | -              | \$                            | -              |
| Salary of Chief Executive Officer         | \$  | -              | \$                            | -              | \$                            | -              |
| Payments to Board members                 | \$  | -              | \$                            | -              | \$                            | -              |
| Payroll: Employee Benefits                | \$  | -              | \$                            | -              | \$                            | -              |
| Postage                                   | \$  | -              | \$                            | 352            | \$                            | 352            |
| Printing, Publications                    | \$  | -              | \$                            | 400            | \$                            | 400            |
| Supplies                                  | \$  | -              | \$                            | 1,400          | \$                            | 1,000          |
| Training/Conferences                      | \$  | -              | \$                            | -              | \$                            | -              |
| <b>TOTAL EXPENSES</b>                     | \$  | <b>417,012</b> | \$                            | <b>428,356</b> | \$                            | <b>425,437</b> |
| <b>Excess/(Deficit) Income-Expenses</b>   | \$  | <b>12,699</b>  | \$                            | <b>2,939</b>   | \$                            | <b>63</b>      |
| Number of Full Time Positions             | <u>          </u>                               |                | <u>          </u>             |                | <u>          </u>             |                |
| Number of Part Time Positions             | <u>4 - PDC staff</u>                            |                | <u>5 - PDC and consultant</u> |                | <u>4 - PDC and consultant</u> |                |
| Major Property, Equipment Acquisition     | <u>Debt Service amount is shown under Other</u> |                |                               |                |                               |                |