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

Bland County
Lace (Nick) Asbury
Henry 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
Bill Bestpitch

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

To: Virginia's First Member Town Managers, City Managers and County Administrators
From: Joe Morgan, Executive Director
Subject: Request for Declaration of Preference on Excess Dues Distribution
Date: September 24, 2010

Please Respond by November 1, 2010

In preparation for the January 12, 2011, Virginia's First Authority meeting, please advise me of your local government's preference for distribution of excess dues paid to the Authority.

On January 13, 2010, the Virginia's First Board of Directors declared $600,000 dues excess, for $40,000 each for its fifteen members. On July 14, 2010, the Board requested that all member jurisdictions declare preference for dues distribution. A***ttached*** are excerpts of minutes from those meetings.

On August 12, 2009, the Commerce Park Participation Committee unanimously agreed to allocate $300,000 of any Virginia's First excess dues that become available to fund a reserve for the availability fee of up to $55,000 per year for the current expansion of the Commerce Park water and sewer capacity to one million gallons per day. An excerpt from the minutes of the August 2010 Commerce Park Participation Committee related to the $300,000 reserve is ***attached***.

As of July 2010, all Commerce Park Participation Committee member governments have adopted Amendment #2 to the Participation Committee agreement allowing use of Virginia's First excess dues to fund the water and sewer expansion.

In return for allocation of the excess dues, it is proposed that 7,500 new Commerce Park shares be issued at $40 each. If each of the 11 Commerce Park member governments invested their excess dues equally, 682 shares would be acquired at $27,273 to raise the $300,000 reserve. ***Attached*** is a spreadsheet with current and proposed share allocation. Also ***attached*** is an update on the Commerce Park status, resources and plans, as well as the NRV Economic Development Alliance marketing brochure for the Commerce Park.

The allocation of excess dues requires unanimous consent of all Virginia's First member governments, according to the following language in the Authority's 1998 organizational agreement:

> "The Authority may also support and participate in any project authorized by the Act (Virginia Regional Industrial Authority Facilities Act, Code of Virginia Title 15.2, Chapter 64) 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."

I understand that if one or more Virginia's First members chooses not to give consent to the allocation, then the dues declared excess will remain with the Authority for general purposes, but not for use by participation committees, such as the Commerce Park.

Therefore it will be most helpful if you can advise of the preference of your county, city or town regarding use of the excess dues. To document your preference, I have prepared the ***attached*** form. Please note the form has blanks to indicate how and in what amount your member government may desire to allocate excess dues, as well as whether there are conditions on which you member government will consent to the excess dues allocation. I request you return the preference form by November 1, to assist in the preparation for the January Authority meeting, as well as the next Commerce Park Participation Committee meeting. Please let me know if you have questions.

cc: Virginia's First Authority Board of Directors

***Virginia's* FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**
Meeting Minutes
January 13, 2010

RE:Allocation of $600,000 Surplus Funds

The Authority has uncommitted funds, estimated at $600,000. Mr. Morgan has suggested the board adopt a program to coordinate use of the surplus funds for their respective jurisdictions. The Commerce Park Participation Committee recommended on August 12, 2009, 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.

During conversations with Montgomery County, their attorney advised the use of the general funds will require a unanimous consent. Unanimous consent would be expressed by the affirmative vote of Authority Board Members representing each member government and the presence of no negative votes. It is conceivable that getting such unanimous consent may take several meetings, where perfect attendance is not achieved. So unanimous consent might be made by as few as 15 affirmative votes (one from each member government) or as many as 29 (two from each member government, except Craig County, which has only appointed one Board Member). Therefore, where an agenda item requires unanimous consent, every effort should be made to get a representative of all 15 member governments to attend.

It was also suggested that the funds may be referred to as excess funds rather than surplus funds. An excess designation contrasts to a surplus designation, in that a surplus designation would cause the return of the $600,000 to all member governments in equal amounts, with no assurance that the surplus funds would be made available to any Authority implementation project, such as the Commerce Park water and sewer reserve from Commerce Park members' individual allocations.

Mr. Morgan suggests the Authority develop a plan for use of the funds that would be satisfactory to all member governments. The board generally discussed how the plan might be structured in a series of options for spending the funds to accommodate the member governments range of interests. It was generally agreed to keep the money within the Authority. The plan should be able to meet the unanimous consent of all 15 member governments, as affirmed by vote(s) at an Authority meeting(s).

Motion: Mr. Helms moved the Authority declare the Authority's funds not committed to budgetary allocations to be excess and authorize staff to prepare a plan for its use to be presented at the next meeting. Mr. Howlett seconded the motion.

Action: The motion carried unanimously.

The foregoing is a true excerpt of the minutes of January 13, 2010.

Attest: Joseph N. Morgan, Executive Director

***Virginia's* FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**
Meeting Minutes
July 14, 2010

RE: Plan for Allocation of $600,000 Excess Dues

The concept behind the recommended excess dues allocation plan was reviewed, which plan provides that all VA1st members will consent to each member making its own individual decision on how best to use the $40,000 per member current declared excess dues. Generally, the plan shows all Commerce Park members, except Montgomery County, allocating $27,273 each in return for another 682 shares of equity, with the remaining $12,727 designated for new economic development projects, dues payment or rebate. Non-Commerce Park members have all $40,000 allocated for economic development projects, dues payment or rebate. A copy of the draft plan of allocation is included with the minutes of this meeting.

In discussion following review of the draft plan, it was noted that Montgomery County had contacted Mr. Morgan to update their position on spending their excess funds. Montgomery County prefers all of its $40,000 excess dues to be allocated to new economic development projects. New economic development projects could be for a new Participation Committee or a project within a locality.

Ms. Edmonds asked if the proposed procedure requires all member jurisdictions to vote on it. Mr. Morgan stated that it does and recommended absent members, at the time of plan adoption, be requested to provide consent back to the Authority Board of Directors (to comply with general assets allocated/used with consent of all members as written in the Authority organizational agreement of 1998). Mr. Morgan stated identifying localities' uses moves toward building consent and a unanimous decision by the Authority Board of Directors. He recommended requesting consent by governing bodies or members between meetings or tabling this item until the next meeting.

Regarding excess funds/shares allocated to Commerce Park, the question was asked how it would be resolved if some committee members chose not to use their excess funds and the needed balance was not met. Mr. Morgan stated the remaining members could consider if they want to make additional contributions from their balance. Mr. Huber asked if it is appropriate for members to increase their allocation of excess dues to the Commerce Park water and sewer reserve availability fee in order to raise the suggested $300,000 reserve. Mr. Morgan stated individual members should indicate their preference for such an increase. Mr. Irvin asked if $300,000 is a fixed amount yet. Mr. Morgan stated it is still an estimated number with the source and financing arrangements for some of the project funding, as well as the cost of construction yet to be bid, still to be determined. This balance is meant to serve as a reserve to pay the availability fee for water and sewer expansion debt service estimated at $55,000 a year.

Chair Biggs noted that action on the allocation plan for excess funds is not approvable for a vote since it still needs a request of approval from missing members and full information is not available to all members yet. She asked what is the next step -- perhaps moving ahead to get consent by each jurisdiction to identify what they want? Mr. Welker stated he prefers to adopt a plan that shows firm commitments rather than an open-ended adoption decision, so that it becomes clear if all Commerce Park members are not putting a share of their excess dues to the availability fee debt service and what balance is needed to be raised for that purpose. Mr. Parker asked if the plan of allocation spreadsheet was developed with feedback from each locality. Mr. Morgan stated it was posted for response with

the agenda information for this July 14, 2010 VA1st Board meeting and he had only heard of any change from Montgomery County by the meeting time. Mr. Parker recommended a plan be prepared for November 1 to know each member's choice.

Mr. Morgan reminded the Board that the Commerce Park Participation Committee, in August of 2009, unanimously voted to pledge the availability fee from a combination of Commerce Park assets, such as: fund balance, potential surplus land sales, and current Commerce Park annual investment now used for administration and site maintenance cost, as well as VA1st member excess dues.

Ms. Edmonds asked why only $600,000 of an $800,000 VA1st unrestricted fund balance has been declared excess. Mr. Morgan advised that the $600,000 was proposed to allow some reserve funds to remain with the Authority for its general operations.

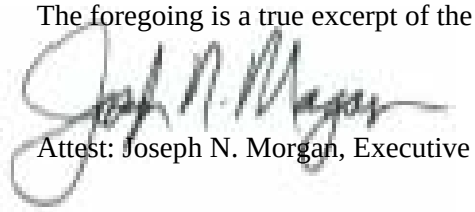
Mr. Edwards asked if this decision on allocation of excess dues is needed now or if it can wait until the Commerce Park water and sewer expansion cash need has been determined. Mr. Morgan stated his opinion that a decision will be needed in six months. Mr. Utt asked if these excess dues funds aren't made available for debt service and the Commerce Park's other funds run out, then will all Commerce Park members have to chip in? Mr. Morgan stated the agreements in place limit the amount that can be expected from members without their locality's approval to the current total annual investment of $412,500. He added that the Commerce Park does have debt reserve funds of $242,544 available, as well as administrative funds budgeted of about $60,000 per year, but using the debt reserve or reducing administrative spending would require a restructuring of how Virginia's First and the Commerce Park committee is managed and operated.

In response to a question of whether the current allocation of the excess dues would require unanimous consent, Mr. Morgan stated yes. In response to a question if the Board waits until its next meeting in January, then what is the course of action, Mr. Morgan offered his opinion that if each locality gives instruction on use of its excess dues and has no objection to other members' commitment of excess dues, then it would be equivalent to a unanimous consent. Ms. Biggs noted that these votes requiring unanimous consent should be red-flagged so that members recognize the need to attend a VA1st Board meeting requiring such unanimous decisions. Mr. Morgan stated his opinion that it is possible to allow e-mail to be a vote or proxy of consent from member localities. Mr. Parker stated he would like to see a board of supervisors' or town / city council's action stamped by clerk of the governing body rather than only an e-mail vote if not made in person.

Motion: Ms. Edmonds moved the board agree to the intent to distribute excess $600,000 funds at the choice of respective jurisdictions as determined and reported to the authority by November 1, 2010 with a final vote at the next authority meeting. Mr. Tripp seconded the motion.

Action: The motion passed on a roll call vote with Mr. Asbury (Bland) opposed and representation from Giles, Roanoke, and Wythe counties; Roanoke city, and Town of Narrows absent.

The foregoing is a true excerpt of the minutes of January 13, 2010.



Attest: Joseph N. Morgan, Executive Director

Proposed Virginia's First Regional Industrial Facility Authority Excess Funds Distribution -

Locality	Additional Commerce Park Shares for W&S Expansion	Dues	New Economic Development Projects	Rebate	Total
Bland	$27,273		$12,727		$40,000
Craig	$27,273		$12,727		$40,000
Giles	$27,273		$12,727		$40,000
Montgomery	$27,273		$12,727		$40,000
Pulaski Co	$27,273		$12,727		$40,000
Roanoke Co	$27,273		$12,727		$40,000
Wythe			$40,000		$40,000
Radford	$27,273		$12,727		$40,000
Roanoke City	$27,273		$12,727		$40,000
Salem			$40,000		$40,000
Christiansburg		$5,000	$35,000		$40,000
Dublin	$27,273		$12,727		$40,000
Narrows		$17,500	$22,500		$40,000
Pearisburg	$27,273		$12,727		$40,000
Pulaski	$27,273		$12,727		$40,000
Total	**$300,000**	**$22,500**	**$277,500**	**$0**	**$600,000**

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Meeting Minutes
August 12, 2009

Allocation of VA 1st Surplus

Of the $40,000 per participant estimated surplus VA 1st funds, as well as other surplus that may accrue, allocation of $300,000 to provide a 5-year debt service reserve for the 1 million gallon per day (MGD) water and sewer expansion is recommended. The reserve can be reduced as other funding sources (surplus land sales, water and sewer surcharge, etc.) are available.

Motion: Mr. Townsend moved the committee request the Virginia's First board allocate $300,000 in surplus Virginia's First funds to provide a 5-year debt service reserve for the water and sewer project. Mr. Huber seconded the motion.

Action: The motion carried unanimously.

Customer Status Pledge for 1 MGD Water and Sewer

Adoption of the terms of customer status was requested. A copy of the terms is filed with the records of this meeting. Also requested was authorization to enter the customer agreement once the agreement form is completed to the satisfaction of the Pulaski County Public Service Authority and VA 1st legal counsel. Mr. Huber described the customer status arrangement as a minimum fee for committed capacity, equivalent to the Commerce Park's share of debt service, until the Commerce Park and its tenants begin using the water as a customer. Debt is estimated at $55,000; Mr. Hamilton asked if a limit can be put on that amount and require further action from the committee should additional funds be required for the debt service.

Motion: Mr. Hamilton moved the committee accept the customer status pledge for 1 million gallon per day (MGD) water and sewer capacity with the condition that further action from the committee will be required should additional funds beyond the estimated $55,000 be required for the debt service. Mr. Chittum seconded the motion.

Action: The motion passed without opposition, with 56.32% in the affirmative, 0% opposed, 43.68% abstaining and 0% absent. Mr. Huber abstained on behalf of Pulaski County since he is Executive Director of the Pulaski County Public Service Authority.

The foregoing is a true excerpt of the minutes of the Commerce Park Participation Committee meeting minutes of August 12, 2009.

Attest: /s/ Joseph N. (Joe) Morgan, Executive Director

Virginia's First Regional Industrial Facility Authority

Commerce Park Participation Committee

MEMBER	Original Shares Owned	Additional Shares in Return for $27,272.73 Excess Dues	Total Shares	Commerce Park Annual Investment	Original Percent Owned	New Percent Owned
Bland County	2145.53	681.82	2827.35	$5,900.00	1.43%	1.80%
Craig County	2125.00	681.82	2806.82	$5,844.00	1.42%	1.78%
Giles County	20309.60	681.82	20991.42	$55,851.00	13.54%	13.33%
Montgomery County	20309.60	681.82	20991.42	$55,851.00	13.54%	13.33%
Pulaski County	65516.80	681.82	66198.62	$180,172.00	43.68%	42.03%
Roanoke County	10638.30	681.82	11320.12	$29,255.00	7.09%	7.19%
City of Radford	8457.44	681.82	9139.26	$23,258.00	5.64%	5.80%
City of Roanoke	10000.00	681.82	10681.82	$27,500.00	6.67%	6.78%
Town of Dublin	1079.20	681.82	1761.02	$2,968.00	0.72%	1.12%
Town of Pearisburg	2145.53	681.82	2827.35	$5,900.00	1.43%	1.80%
Town of Pulaski	7273.00	681.82	7954.82	$20,001.00	4.85%	5.05%
TOTALS	150,000.00	7,500.00	157,500.00	$412,500.00	100.00%	100.00%

2010 New River Valley Commerce Park Participation Committee Update

The New River Valley Commerce Park is a 1,000 acre industrial facility located in Pulaski County north of Dublin, Virginia, approximately 3.6 miles from Interstate 81. The facility is owned by 11 participating jurisdictions structured under Virginia's First Regional Industrial Facility Authority (VFRIFA). The goal the Commerce Park is to "do together what we can not do alone" for the region.

Bland County
*Lace (Nick) Asbury
Henry Blessing

Craig County
*Jay Polen

Giles County
*Chris McKlarney
Richard McCoy

Montgomery County
*Craig Meadows
Brian T. Hamilton

Pulaski County
*Peter M. Huber
Shawn Utt

Roanoke County
Charlotte Moore
*Doug Chittum

City of Radford
Tim Cox
*Basil Edwards

City of Roanoke
*Brian Townsend
Bill Bestpitch

Town of Dublin
William H. Parker
*Doug Irvin

Town of Pearisburg
*Kenneth F. Vittum
Brad Jones

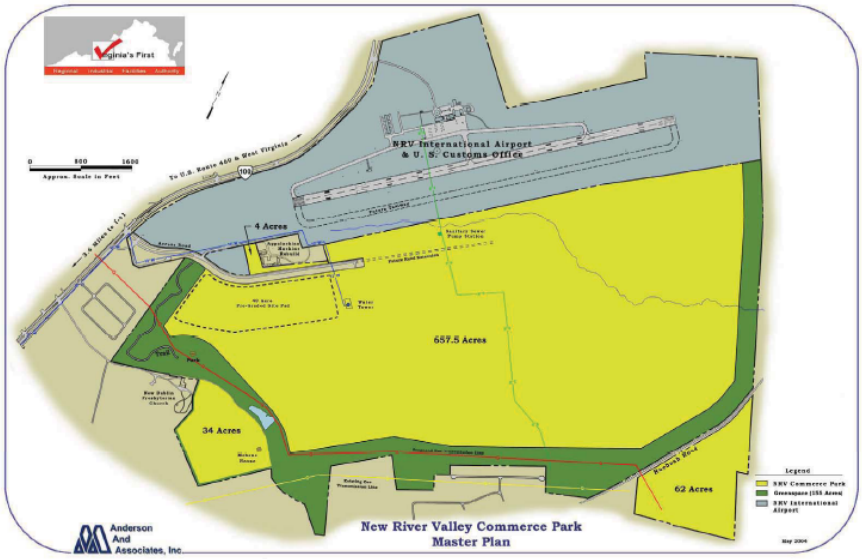
Town of Pulaski
*Morgan Welker
John Hawley

* denotes primary member of the Participation Committee

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

NRV Commerce Park Assets and Accomplishments

- ✓ New River Valley Airport, with full time Customs Office and Port of Entry
- ✓ Designated US Foreign Trade Zone (FTZ) and Virginia Enterprise Zone
- ✓ Acquisition of roughly 1,000 acres of land originally envisioned for Park
- ✓ Graded 2-acre & 40-acre pads
- ✓ One mile long industrial access road constructed
- ✓ Flexible zoning with 2 – 75 acre lot sizes
- ✓ Completion of necessary engineering and reporting, including geotechnical and environmental assessment
- ✓ Virtual building, 370,000 square feet, expandable to 761,000 square feet
- ✓ Ongoing marketing and prospect visits
- ✓ On-site water and sewer available, with 1 million gallons per (MGD) day water & sewer capacity planned in 2012, with 6 MGD planned as needed
- ✓ NRV Wireless Authority to serve site with broadband through Federal Stimulus funding
- ✓ 138kV electric transmission line extension designed and available in 18 to 24 months
- ✓ Rail extension feasible for major industrial facility
- ✓ Perpetual sharing of machinery & tools taxes with member governments
- ✓ Sharing real estate & personal property taxes fully for 7 years and partially for 8 more years



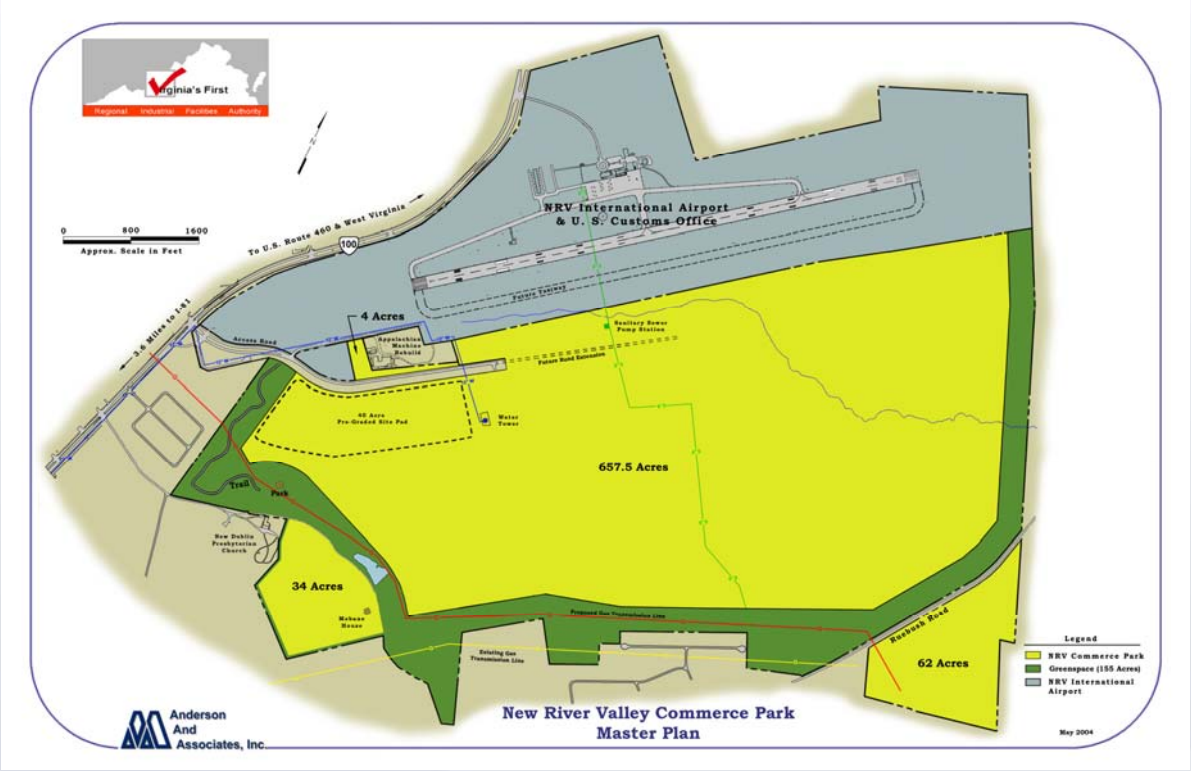
2009 Updated Business Plan

- ✓ Maximize amount of land that is "ready to build"
- ✓ Develop a market-based industry focus
- ✓ Market flexible sites without competing with other facilities in the region
- ✓ Maximize tax revenue sharing
- ✓ Use first 7 years of property taxes for potential incentives
- ✓ Market surplus property to assist with water and sewer expansion cost
- ✓ Require NO ADDITIONAL FUNDING by localities

New River Valley Commerce Park

For Sale or Lease

VA-100 and Laboratory Drive
Dublin, VA 24084



Site Specifications and Information

Close to 1,000 total acres (973 acres)

650+ acres suitable for development with existing buffer already in place **(dark green above)**

Adjacent to the New River Valley International Airport (6,200 ft. runway)

Adjacent to the Virginia TradePort (Port of Entry #1412 and FTZ #238)

40 acre graded pad with all utilities in place including water, sewer, fiber, natural gas, etc.

Located 3 miles off of I-81 Exit 98 with 4-lane highway accessibility

NEW RIVER VALLEY + ECONOMIC DEVELOPMENT ALLIANCE

All together. Better.

6226 University Park Drive • Suite 2200 • Radford, VA 24141
phone 540.267.0007 • fax 540.267.0013 • toll free 800.678.1734
info@nrvalliance.org • www.nrvalliance.org

New River Valley Commerce Park

For Sale or Lease

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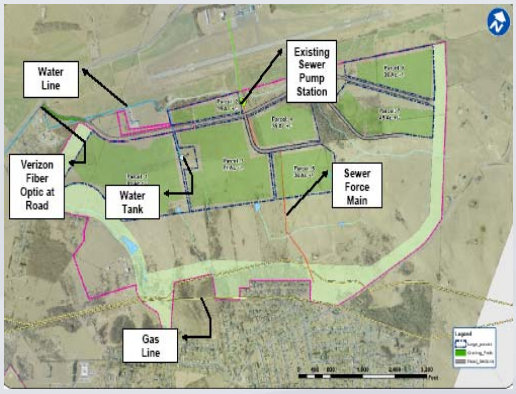
Dublin, VA 24084



Regional and Location Information

+ Extremely low cost of doing business (utilities, taxes, etc.)

+ Area of outstanding beauty, recreation, sports, culture, and education

+ Available, well-trained workforce with an outstanding work ethic

+ Home of Virginia Tech, Radford University, and New River Community College

+ Located on Virginia's I-81 Corridor and close to I-77 and I-64 with N,S,E,W rail lines

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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

The following notice of intent is made on behalf of the respective member government of the Virginia's First Regional Industrial Facility Authority for the allocation of excess dues. Dues in the amount of $40,000 per member were determined excess at the January 13 and July 14, 2010 Authority meetings.

Member Government: _____

By: _____

Please Print Name Above

_____

Signature

Please check one of the following:

_____ Authority Board of Directors Member Appointed by Member Government, or

_____ Clerk of Governing Body, or

_____ Other: _____

Date: _____

Allocation:

New River Valley Commerce Park Water and Sewer Capacity Reserve: $_____

Other Economic Development Projects: $_____

Virginia First Regional Industrial Facility Authority Dues: $_____

Rebate to Member Locality: $_____

_____This declaration is made with the understanding and consent thereto that other members may allocate excess dues as their representatives deem best.

_____This declaration is made based on other members agreeing to allocate their excess dues as follows:

_____
_____
_____
_____

_____This member government does not plan to consent excess dues distribution.

Please return this declaration by November 1, 2010 by mail, fax or e-mail to:

Joe Morgan, Executive Director
Virginia's First Regional Industrial Facility Authority
6580 Valley Center Drive, Suite 124, Radford, VA 24141
FAX (540) 831-6093 – e-mail: jmorgan@nrvdc.org