

Pearisburg Town Council met in Special Session on January 27, 2016 at 7:00 p.m. in the Pearisburg Municipal Building Council Chambers. Present for the meeting was Mayor Robert L. Dickerson; Vice-Mayor Munsey; Council Member Williams, Journell, Harrell, Clark and Eaton; Town Manager Vittum; Town Engineer Tawney; and Town Clerk Harless. Also present was Danny Wilson, Commerce Park Executive Director and Theresa Fontana, Attorney for Commerce Park.

Wilson stated that the "Amended and Restated Commerce Park Participation Agreement Significant Modifications from Past Agreements" will merge the Commerce Park Participation Committee and Virginia's First Industrial Facility Authority. This dissolves the Project Participation Committee and allows for a more streamlined approach to decision making, finances, legal decisions and meetings. This will greatly help streamline the meeting and keep both organizations from meeting twice since the members are the same. He stated that Commerce Park was created in 1998 by regional organizations who pulled their resources together to purchase 1,000 acres to begin development.

Wilson stated that Virginia's First will assume all functions of Commerce Park and both organizations are handled by the same staff. The agreement provides more certainty and sets due dates for the debt. All localities need to approve the document before it goes into full effect.

Wilson briefly went over the nineteen (19) significant modifications made to past agreements that this new agreement is intended to replace. He stated that the due date for share payments had been moved to September 30th with a longer grace period to fit budgeting cycles of localities. He stated that once the debt is paid off in 2039 the Commerce Park property would be owned debt free.

Eaton asked about the Clarified Shares. Wilson stated that localities first purchased their shares in 1999. Virginia's First voted to refund excess revenue to localities in 2011 and some shareholders put money back into shares while others took this as a refund. Eaton asked if there was a set number of shares. Fontana stated that the corporation sets the number of shares. She explained that Virginia's First has used shares to memorialize the localities shares for economic development with new shares a determination of the value of the contribution is set. She stated that entities bought a certain amount of shares. She explained that recently the Authority has completed an evaluation of share values with their auditor. They feel a process needed to be set

to determine share value. They want to memorialize the entities shares in the park so when the return comes in they will get the portion they have invested.

Munsey asked how someone would purchase shares. Fontana stated that for instance Pulaski paid \$400,000 for a gas line at the park. She stated that the park offered an ownership by issuing shares at a certain value to memorialize Pulaski shares. Fontana stated that Pearisburg's shares are not valued less. Hartley stated that Pearisburg share percentage would be less when another entity has more invested. Hartley asked if new participants would help pay the former debt. Fontana stated that they would not be responsible for original debt. She stated that Pearisburg could pay off their shares. She explained that the park was set up through purchase of original shares to fund operating expenses. She stated that once Pearisburg's debt is paid payments for shares would end.

Hartley stated that the proposed agreement does not state how much Pearisburg paid for the debt service and there is nothing showing how it was calculated. Wilson stated that a percentage was provided but not how much the entities have paid. He indicated that he was working with financial staff to come up with amounts for an entity to pay off debt. Hartley stated that each locality pays debt service based on original shares. Fontana stated that the original shares debt does not change. She stated that what changes is when someone else pays into the park, they are getting shares to memorialize the contribution. She stated that the \$5,000 dues to the Authority has nothing to do with the debt. This is dues to the authority for the operating expenses and access dues is the reason you have received money back in the past. The Authority board can decide and vote on how they want to use the \$5,000 dues. Fontana stated that the dues are used to pay legal fees and the directors salary for Virginia's First. Hartley stated that what is being proposed in the agreement is to give the authority the ability to donate or give the excess dues to Commerce Park. Fontana explained that they want to let each party know what they have invested. She stated that they are still unraveling the financial end. She stated that their goal was to have a 100 percent transparent organization. Hartley asked about last year's operating budget. Wilson stated that last year's budget was unusual due to Red Sun Farms.

Wilson explained to Council that he was having to split staffing expenses between Commerce Park and Virginia's First. He stated that he took over as Executive Director in 2015. He also works for Pulaski County. Hartley asked about the deferred debt payment in the current

budget. Wilson stated that Virginia's First is operating in the red at the moment. They have \$147,000 in deferred debt. Hartley asked how the debt was paid. Wilson stated that Pulaski County IDA took out bonds and paid the debt back late. He explained that Red Sun Farms debt came online before the revenue which is reflected in the budget. Hartley asked if the IDA bought it or paid the monthly payment on the bond. Wilson stated that the IDA owns the bond. He stated that the \$6.8 million bond was taken out in the IDA's name which was primarily to allow for the sale the property. The land is paid by the IDA for Virginia's First and they have a moral obligation to pay back the IDA.

Hartley asked Wilson if he knew how much per share on the current debt. Wilson stated that Pearisburg owns 1.43% debt per year. He stated that the bonds can't be called until 2023. He stated that all principal and interest is paid until 2023. Hartley asked if the bonds were variable. Wilson stated that they were and in 2023 you could pay a lump sum payment to pay off the bonds or from 2023 to 2039.

Wilson stated that the sole purpose of Commerce Park is to create jobs in the region. Hartley asked if Red Sun Farms pays the park. Wilson replied that they pay taxes and \$1 per year on the lease. He said that Red Sun Farms leased the property. Munsey asked about the term of the lease. Wilson stated that the lease was for 15 years and then Red Sun Farms has the option to pay around \$10 for the land. Fontana stated that the machinery and tools expenses collected are estimated at \$6,000. Journell asked if Red Sun Farms was operating at full capacity. Wilson stated that Red Sun Farms was in Phase 1 of 3. He stated that when the last phase is completed they will have created 205 jobs and have \$40 million invested. Hartley asked if the grading debt was paid in Phase 1. Fontana stated that the grading project cost \$2 million and was paid by the participants. Fontana explained that the main purpose of the park was for job creation and economic development not income generation. Munsey inquired if anyone from Giles County worked at Red Sun Farms. Wilson will get the zip code information of employees for Council. Munsey asked when Red Sun Farms would be complete. Wilson stated that the initial date was December 2016, but now it will be at a later date. If the company does not have the investment and jobs created by this date they will have to pay as per the agreement for not meeting the agreement deadline.

Wilson briefed Council on the Exhibits to the agreement. Council asked questions about the site map. Wilson stated that some of the land had been leased for farm land. Hartley asked if

the land was placed out to bid. Wilson stated that it was not. They use Pulaski agriculture rates which is currently using a rate on crop land verses pasture. Fontana mentioned that some special arrangements were made with some of the lessees.

Wilson briefly went over the 2016 Budget for Commerce Park. He stated that Red Sun Farms paid \$145,000 annually. He stated that the \$5,000 in dues from each locality is income reflected in the budget as well. Eaton inquired as to all the member shares looking proportional except for Dublin. Wilson was not sure of the reason but would look into the matter.

Hartley asked Wilson how much Wythe County owed. Fontana answered that they owe Virginia's First \$20,000. She stated that they are not a member in good standing. Hartley asked if Wythe County had a moral or legal obligation. Fontana stated that they signed an agreement so she feels a legal obligation. She stated they were working on a statutory obligation to make a claim. She stated that Wythe County has not taken the steps to not be a member.

Eaton asked what the withdrawal process from Commerce Park entailed and Pearisburg's financial obligation. Fontana stated that for dissolution she would need to read over the Virginia Code. She stated that any member may withdraw with majority vote without repayment of any debt. They would need to pledge to pay current dues. Hartley asked about the Pearisburg shares and the best way to handle them. Fontana stated that if you find other localities to pay your debt you could forfeit your shares. Wilson stated that if you paid off your debt you would have shares but not be a member. Fontana stated that the best answer was to find someone to take your shares that is a current member. Eaton stated that we are the smallest entity. Fontana stated that it is a certified park and they have had several inquiries of new businesses. Wilson stated that the park has all utilities. He stated that the biggest challenge was the grading. He is in the process now of seeing if VDOT would take over the road and maintain it. Currently the Town of Dublin plows roads for free.

Fontana stated that the proposed agreement is very vital in getting things straightened out. Hartley stated that he would like to see it more specific on how the shares pay the debt. He felt that the document needed more language on how the calculation would be done. He thought that showing an example would be a good idea as well. Wilson stated that it was based on budgeting which changes each year. Hartley stated that he would like more clarification in the agreement. Fontana stated that the document had already been sent out to all the attorneys. She strongly recommends we do not make any changes. If changes are needed they would have to start the

process all over because it is out to localities and some have approved the agreement. She stated that unless you feel it's very important she recommends not altering this document. She stated that they would individually address any concerns that Pearisburg has at this time.

Eaton asked about the breakdown on revenue sharing and when the payments would start. Wilson stated that it has already started. He stated that Red Sun Farms is paying Virginia's First and they use the revenue to pay for grading, road expansion or any other park development.

Fontana stated that the Authority and Participants cannot vote to pay off general debt. They can only make a distribution. Hartley asked if Virginia's First could manage the payments when individuals pay off their debt. Wilson stated that it would be a financial exercise they would need to address at that time. Mayor Dickerson and Council thanked Wilson and Fontana for coming.

Munsey made a motion to approve the Healthy Relationship Awareness Month Proclamation with corrections. Williams seconded the motion. Voting yes: Mayor Dickerson, Council Member Williams, Munsey, Journell, Harrell, Clark and Eaton. The motion carried by a vote of 7 to 0.

PROCLAMATION

Whereas, violence in relationships often begins during adolescence, creating long-term negative behavioral and health consequences which can lead to dangerous and unhealthy patterns in future relationships; and

Whereas, many young people may be afraid, embarrassed, or may not recognize the severity of the physical, emotional, or sexual abuse; and

Whereas, parents and other adults can be uncomfortable with or unaware of the occurrence of abuse; and

Whereas, technology such as cell phones, e-mail, and social networking websites play a major role in an adolescent's life, but these same tools are sometimes used for control, stalking, and victimization; and

Whereas, a Presidential Proclamation has been issued that designates February 2016 as National Teen Dating Violence Awareness and Prevention Month; and

Whereas, the Giles County Youth Adult Partnership is one of hundreds of organizations across America hosting events to promote awareness of violence of any type and to empower the community to take actions to prevent it.

NOW, THEREFORE BE IT PROCLAIMED, that the month of February 2016 is Healthy Relationship Awareness Month in the Town of Pearisburg, Virginia; and

FURTHER BE IT RESOLVED, that all men and women, young and old, of the Town of Pearisburg are encouraged to prevent violence of any type by educating themselves and others about the facts and by modeling respectful behavior in ALL their relationships.

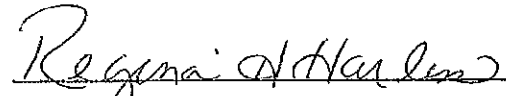
This 27th day of January, 2016.

Approved:

Attest:



Mayor Robert L. Dickerson



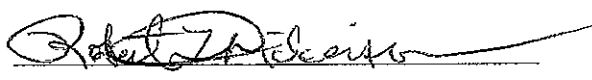
Regina H. Harless, Town Clerk

Council discussed ideas on how they would like to proceed with the agreement. Hartley stated that it's a moral agreement not a legal obligation to pay the dues. He stated that Council does not have to appropriate the funds in their annual budget. There was no decision made on continued participation at this time.

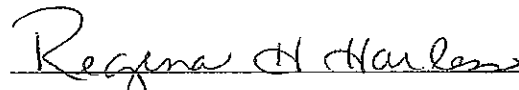
There being no further business the meeting was adjourned.

APPROVED:

ATTEST:



Robert L. Dickerson, Mayor



Regina H. Harless, Town Clerk