

Henry County Board of Supervisors
Organizational Meeting Agenda
January 3, 2011
3 p.m.

- 1) Invocation
- 2) Pledge of Allegiance
- 3) Call to Order
- 4) Welcome of Visitors and Advise of Role of County Administrator as Contact Person for the Board
- 5) Election of Chairman for 2011
- 6) Election of Vice Chairman for 2011
- 7) Setting of Regular Board Meeting Dates for 2011
- 8) Adoption of Board's 2011 Bylaws
- 9) Consideration of a Date for the Board's Annual Planning Session
- 10) Financial Matters
 - A) Consideration of Investment of Public Funds to Leverage Grant Funds for Development of Commonwealth Crossing Business Centre
- 11) Adjournment



Henry County
Board of Supervisors

Meeting Date January 3, 2011

Item Number 5

Issue

Election of Chairman for 2011

Background

The first order of business is the election of a Chairman for 2011, followed by the election of the Vice Chairman. The County Administrator chairs the meeting until a Chairman is elected. If the Board so desires, a motion may be adopted prior to either election for the County Administrator to chair the meeting until after the election of both Chairman and Vice Chairman.

Attachments

None

Staff Recommendation

None



Henry County
Board of Supervisors

Meeting Date January 3, 2011

Item Number 6

Issue

Election of Vice Chairman for 2011

Background

After the Chairman is elected, the election for Vice Chairman is held. If the Board so desires, a motion may be adopted prior to either election for the County Administrator to chair the meeting until after the election of both Chairman and Vice Chairman.

Attachments

None

Staff Recommendation

None



Henry County Board of Supervisors

Meeting Date January 3, 2011

Item Number 7

Issue

Setting of Regular Board Meeting Dates

Background

For the past several years the Board of Supervisors has met the Tuesday following the fourth Monday of each month, with the exception of the December meeting. That meeting was moved to earlier in the month to avoid holiday scheduling conflicts. Last year the Board moved to a meeting on the fourth Tuesday of each month. A proposed calendar of meeting dates in 2011 is attached, based on the schedule of meeting every fourth Tuesday.

Attachments

[Proposed meeting dates](#)

Staff Recommendation

Staff recommends adoption of meeting dates for 2011.

Below is a list of the proposed meeting dates for the Board of Supervisors in 2011. With the exception of December, all meeting dates below are on the fourth Tuesday of each month.

Meeting Dates

January 25
February 22
March 22
April 26
May 24
June 28
July 26
August 23
September 27
October 25
November 22
December 13

Deadline for Agenda Items

January 18
February 15
March 15
April 19
May 17
June 21
July 19
August 16
September 20
October 18
November 15
December 6



Henry County
Board of Supervisors

Meeting Date January 3, 2011

Item Number 8

Issue

Adoption of Board's 2011 Bylaws

Background

The Board traditionally adopts bylaws each year at its annual organizational meeting. A copy of the existing bylaws, which were adopted in January 2010, is attached.

Attachments

[Board's 2010 Bylaws](#)

Staff Recommendation

Staff recommends approval of bylaws for the 2011 year.

HENRY COUNTY BOARD OF SUPERVISORS

BYLAWS

Adopted January 7, 2010

ARTICLE I.

Officers

Section 1.1. Chairman. At its first meeting in January (the annual meeting), the Board shall elect a Chairman to serve for a term of one year (§15.2-1422). The Chairman shall preside at all meetings (§15.2-1423), maintain the orderly conduct thereof, rule on all parliamentary matters, call for and cause all votes to be recorded, and administer oaths to any persons concerning any matter submitted to the Board (§15.2-1410). He shall sign all accounts payable drawn on the County. In the event of a vacancy in the office of Chairman during the term, the Board shall proceed to elect a replacement to serve the balance of the term (§15.2-1424).

The Chairman shall have the authority to honor and recognize groups and individuals and to proclaim and decree special occasions when it is not practical or timely for the entire Board to meet.

Section 1.2. Vice-Chairman. The Board shall elect a Vice-Chairman immediately after election of a Chairman at the annual meeting. The Vice-Chairman shall execute all duties of the Chairman in his absence.

ARTICLE II.

Meetings.

Section 2.1. Time and Location. The Board shall hold a regular monthly meeting on dates, times, and places set by the Board at its annual meeting. The meeting shall include a period for public comment scheduled for 6 p.m. or as soon as possible after 6 p.m. The regular meetings may be adjourned or continued from time to time to a date and time specified, provided that no meeting shall be continued to a time beyond the next regular meeting. Any regular meeting falling on a day designated as a legal holiday by the Board of Supervisors shall be held on the next business day (§15.2-1416).

Section 2.2. Special Meetings. A special meeting shall be held when requested by the Chairman or two or more members. Such a request shall be in writing and addressed to the County Administrator, and shall specify the time, place, and matters to be considered. Upon receipt of such a request, the Administrator shall immediately notify each member of the Board and the County Attorney in writing and delivered by the Sheriff. Any matter not specified in the notice shall not be considered unless all members are present and consent to such matter. The notice may be waived if all members attend the special meeting or sign a waiver (§15.2-1418).

Section 2.3. Attendance. A majority of the members shall constitute a quorum (§15.2-1415); however, less than a majority may adjourn or continue a meeting. No member shall absent himself from a meeting without just cause.

Section 2.4. Motions and Voting. No motion shall be considered unless it has been duly made and seconded. The Chairman may surrender the chair at any time for the purpose of making a motion or second. In such event, he should not resume the chair until the motion is decided.

The Chairman shall call for and cause the vote to be recorded after the motion is properly before the Board and has been duly discussed. Any member believing a motion has been duly discussed may move or call for the previous question. Such motion shall not be debatable. However, if any member objects,

the Chairman shall call for a vote on the motion calling for the previous question. If that motion carries, the Chairman shall proceed to call for the vote on the motion before the Board. If the motion calling for the previous question is defeated, the debate on the main motion shall continue.

Motions shall be carried by a majority of the members present and voting in the affirmative (§15.2-1420), except that a majority affirmative vote of all members shall be required for any appropriation exceeding \$500.00, the imposition of taxes, and the authorization for borrowing money.

Section 2.5. Agenda. A copy of the agenda for each Board meeting, along with supporting documentation and pertinent background information for items listed on the agenda, shall be provided to members of the Board of Supervisors and the County Attorney. As referenced in Section 2.1, the agenda shall include a time for public comment at 6 p.m. or as soon as possible after 6 p.m. The agenda also shall be crafted to hear most public action – i.e., public hearings, rezonings, and general highway matters – as soon as possible after 6 p.m. so that visitors specifically affected by those issues may easily access the meeting.

Additional items may be scheduled within this general format by the County Administrator. To be listed on a Board agenda, any item must be in the hands of the County Administrator at least seven days prior to the meeting at which it is to be discussed.

Section 2.5A. Consent Agenda. In the preparation of the monthly agenda, the County Administrator shall list all items of a routine, non-controversial nature on which no discussion or debate is anticipated as “Consent Items.” One motion to adopt, approve, or accept all items listed under this category will be in order. If any member, the County Administrator, or the County Attorney wishes to discuss any item listed under the consent agenda, he or she may request to do so prior to the motion to adopt the consent agenda. If any item is removed from the

consent agenda, it will be placed on the regular action agenda at the end of the others matters of business.

Section 2.6. Public Participation. All Board meetings shall be open to the public. Matters under consideration by the Board shall not normally be open to discussion by the general public unless consented to by the Chairman or a majority of the Board. However, any member of the public may request an opportunity to speak to the Board by contacting the County Administrator at least seven days prior to any meeting. In such a case, the citizen shall be listed on the agenda under "Matters Presented by the Public." Citizens are requested to advise the County Administrator of the subject about which they want to speak.

Those persons who request to be on the agenda seven days prior to a meeting will be allowed to speak first, and a time limit may be set on others who want to speak if there are time restraints regarding the agenda.

Section 2.7. Rules of Order. All meetings shall be conducted according to "Robert's Rules of Order" unless otherwise provided by the Code of Virginia or these bylaws.

Section 2.8. Sergeant-at-Arms. The Sheriff of Henry County or his deputy shall act as sergeant-at-arms. The Chairman may direct any person to be expelled by the sergeant-at-arms for proper cause, including disruption of the meeting.

Section 2.9. Items Not on Agenda. It shall be the policy of the Board that items not listed on the agenda not normally be acted upon except in unusual circumstances requiring immediate action. No such action shall be taken at such a meeting if objection to immediate action is registered by two members. If a Board member wishes to bring a matter to the attention of the Board which is not on the agenda, it shall be the policy of the Board to refer any such subject to the County Administrator and/or special committees for study and/or recommendations prior to taking any action.

ARTICLE III.

Closed Meetings and Confidential Matters.

Section 3.1. Closed Meetings. Closed Meetings of the Board shall be held in accordance with §2.2-3711 of the Virginia Freedom of Information Act. All matters discussed in closed meetings shall not be revealed or discussed outside the session with anyone not in attendance or entitled to attend the executive meeting. Any board member who willfully and/or knowingly divulges details from closed session in a manner that can be adequately substantiated shall face punitive action from the Board in the form of public reprimand and censure.

When, pursuant to any section of these bylaws, the Board is considering issuing a censure against a Supervisor, the following procedures shall apply:

- a) No motion for a censure shall be considered by the Board unless it is an identified agenda item on the Board's agenda for the meeting at which the motion is made and said agenda item lists the supervisor or supervisors proposed to be censured and outlines the conduct or statement which is the subject of the censure.
- b) No motion for a censure shall be considered by the Board, unless the Supervisor proposed to be censured is present at the meeting when the motion is made.
- c) Prior to a vote on a motion to censure, the Supervisor proposed to be censured shall be entitled to present such evidence as the Supervisor deems appropriate, including documents, audio and video recordings, and statements from other members of the Board and the public. The statements of the Board and public need not be sworn and the presentation of evidence shall be subject to the reasonable time and decorum limitations set by the Chairman.

d) The proponent of a motion to censure shall be entitled to present such evidence as the Supervisor deems appropriate, including documents, audio and video recordings, and statements from other members of the Board and the public. The statements of the Board and public need not be sworn and the presentation evidence shall be subject to the reasonable time and decorum limitations set by the Chairman.

Section 3.2. Absence from Closed Meetings. If a Board member is absent from a closed meeting for any reason, the County Administrator shall be responsible to inform him of the discussion which took place in the closed meeting.

Section 3.3. Public Comment. In the event that any confidential information discussed during a closed meeting shall be received by representatives of the news media, it shall be the policy of the Board that no member shall make any comment upon any such matter unless the news media representative reveals the source of the confidential information in his possession.

ARTICLE IV.

Committees.

Section 4.1. Committees. Committees may be created from time to time by the Board. The Board shall appoint members to any such committees so created (§15.2-1411).

ARTICLE V.

Appointments to Boards and Commissions.

Section 5.1. Appointments to Boards and Commissions. (§15.2-1411) All appointments to authorities, commissions,

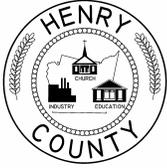
agencies, boards, and other bodies required and authorized to be made by the Board shall be agreed upon by a majority of the members present and voting. Information on all nominees for such appointments, whether to represent the County as a whole or a particular magisterial district, shall make the information available to all members prior to any appointment by the Board. It shall be the policy of the Board as a whole to scrutinize and agree upon all appointees to represent the County in any capacity.

- A. All appointments to any boards, agencies, organizations, etc. for a term commencing after the qualification (election and oath of office) of newly-elected members, shall not be made prior to such qualification and the first meeting held thereafter.
- B. No appointment shall be made more than 45 days prior to the commencement of a term for which the appointment is made.

ARTICLE VI.

Amendment of Bylaws.

Section 6.1. Amendment of Bylaws. These bylaws may be amended by a majority of the members present, provided that all members have received at least five days notice of the intent to amend.



Henry County
Board of Supervisors

Meeting Date January 3, 2011

Item Number 9

Issue

Consideration of a Date for the Board's Annual Planning Session

Background

Each year, the Board holds an annual Planning Session usually in late January or early February at the Emergency Services Training Center. Board members and staff are asked to please bring your calendars to schedule the 2011 session. Staff checked several dates with Diane Akers of ComBiz Solutions, who has facilitated the Board's retreats the past several years. She is available Tuesday, February 1; Wednesday, February 2; Tuesday, February 8; or Wednesday, February 9.

Attachments

None

Staff Recommendation

None



Henry County Board of Supervisors

Meeting Date January 3, 2011

Item Number 10A

Issue

Consideration of Investment of Public Funds to Leverage Grant Funds for Development of Commonwealth Crossing Business Centre

Background

To be competitive for industrial recruitment, a variety of sites is necessary. Currently the Martinsville-Henry County area lacks larger tracts, particularly with access to rail. With this in mind, Henry County has partnered with the City of Martinsville, the Economic Development Corporation and many other entities to develop the Commonwealth Crossing Business Centre (CCBC), which will provide large building sites with access to rail service. So far \$9.4 million has been secured for acquisition, engineering, water and sewer extension, and environmental processes for development of CCBC. Of this amount, the Virginia Economic Development Partnership (VEDP) announced an award of \$1.5 million for grading at the site. The money must be used within two years.

In order to identify and leverage funding sources for grading of the site, officials recently met with representatives of the Tobacco Commission. The Tobacco Commission asked if Martinsville-Henry County could take \$5 million in funds and leverage the money into \$10 million from local partners for CCBC. This would result in a total of \$16.5 million, which would be adequate to prepare lots 1 and 2 at CCBC. Tobacco Commission staff has recommended to its Board that this \$5 million be distributed to Martinsville-Henry County, contingent on the \$10 million in local funding. The Tobacco Commission is scheduled to vote on this matter in January.

With this offer, it is incumbent on the localities to work toward the remaining \$10 million. Based on previous agreements, it would be logical for Henry County and Martinsville to divide the local governments' share of this money. If the localities could commit to a total of \$5 million, the breakdown would be:

- Henry County \$3,333,300
- City of Martinsville \$1,666,700
- TOTAL \$5,000,000**

In addition, a request was made of the Harvest Foundation for \$5 million and has been approved by its Board, contingent on all parties specified above putting in the specified amounts. When all contributions are added up, the \$16.5 million needed to grade lots 1 and 2 at CCBC is achieved:

How would this project benefit Henry County?

- Approximately 200 acres of shovel-ready land for a “mega project” would be prepared. In the Commonwealth, this would be the only large site, under local government control, with a master plan that is ready for action.
- We would be positioned to recruit companies that need large sites with rail access, which we cannot do now.
- A locality with a shovel-ready site is attractive to potential employers because of the condensed lead time.
- There is potential for a large number of jobs and diversified employment.

City Council will consider a similar request for the City’s participation at its meeting today.

Attachments

1. [Presentation by Mark Heath](#)
2. [Memorandum of Understanding](#)

Staff Recommendation

Staff recommends that the Board participate in this project and direct the County Administrator to include the County’s contribution of \$3,333,300 from the County’s uncommitted fund balance in the FY 2012 County Budget and subsequent budgets based on the projected timeline of 24-30 months. Staff also recommends that the Board approve the Memorandum of Understanding with the City of Martinsville.

THE CASE FOR



COMMONWEALTH
CROSSING

BUSINESS
CENTRE

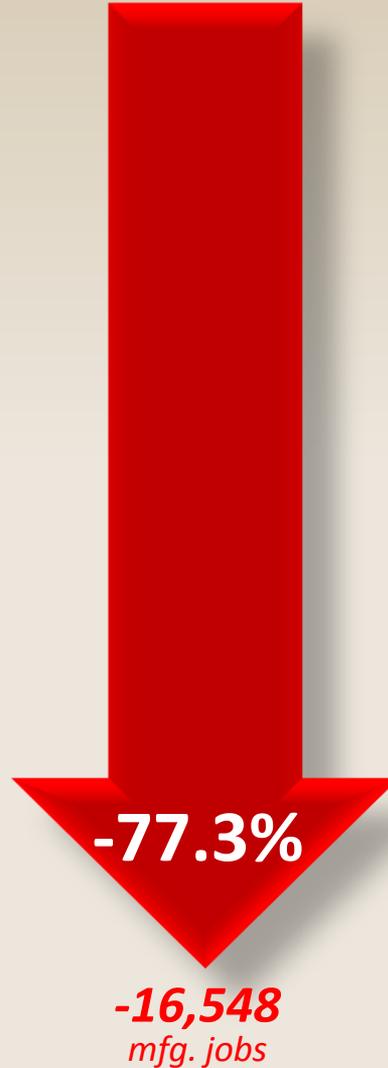
FOR INFORMATION CONTACT 276-403-5940

OVERVIEW OF M-HC: SINCE 1990

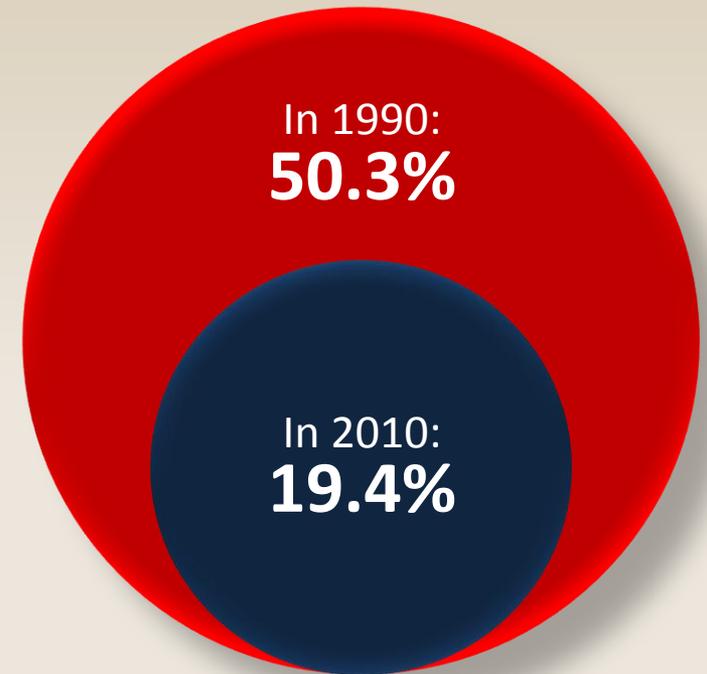
**Total
Employment**



**Manufacturing
Employment**



**Manufacturing Jobs
held in M-HC as a %
of total employment**



DEVELOPMENT OF THE MEGASITE GRANT PROGRAM

Listed below is an synopsis of the timetable for the Mega Site Grant Program, offered by the Virginia Tobacco Indemnification and Community Revitalization Commission.

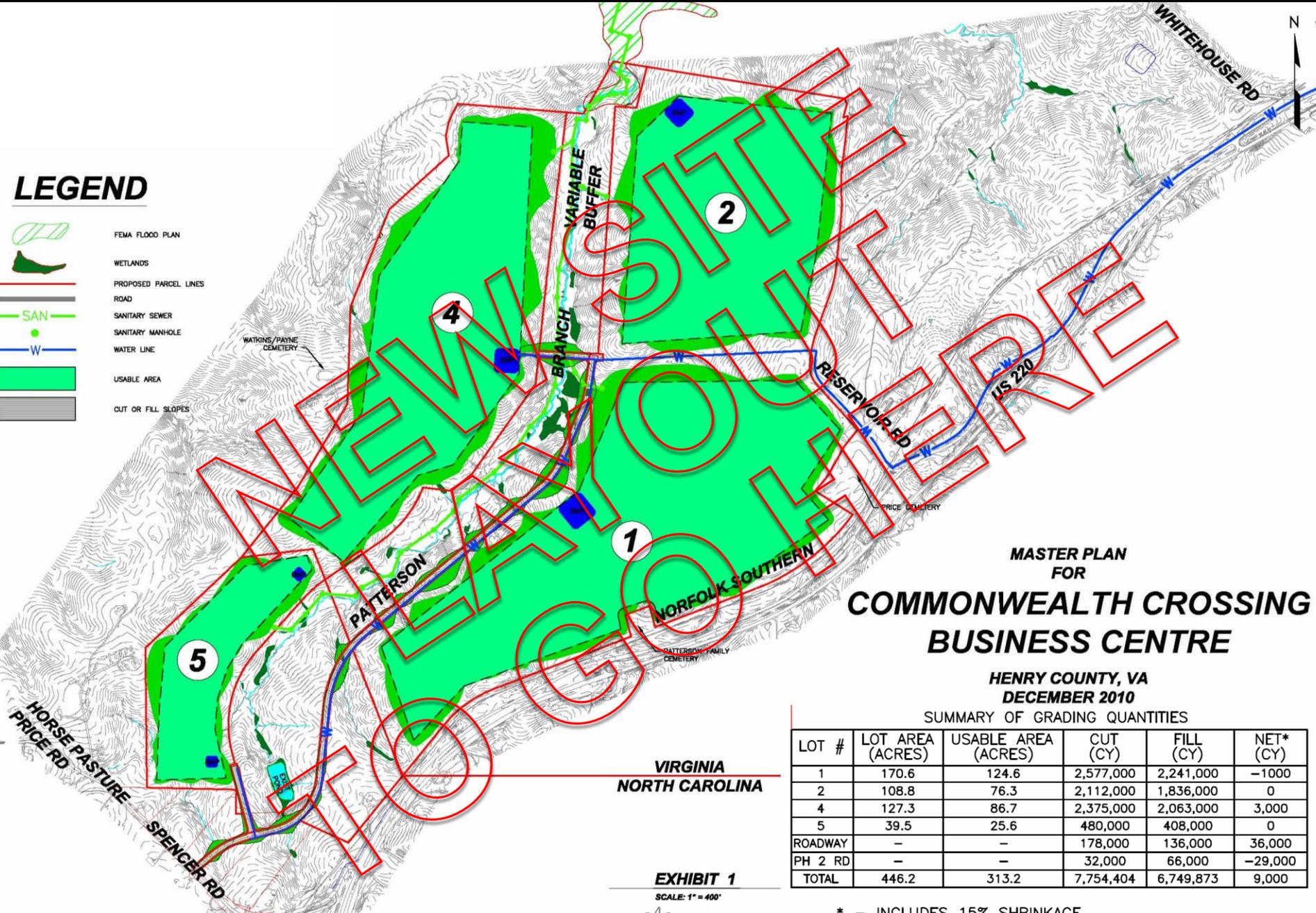
A Mega Site project is defined as a project with at least \$250M in capital investment and 400 new jobs

DATE	EVENT
August 2010	Announcement of a \$5 million Major Employment and Investment (MEI) Grant funded by the Virginia Tobacco Commission
August 2010	Announcement of the \$100 million Mega Site Grant Program by the Virginia Tobacco Commission
October 1, 2010	EDC applies on behalf of Henry County for the MEI Grant for grading at Commonwealth Crossing
November 1, 2010	EDC applies on behalf of Henry County for the first round of the Mega Site Grant Program, requesting \$5 million for grading costs at Commonwealth Crossing
November 5, 2010	Henry County is awarded \$1.5 million from the Major Employment and Investment Grant (must be spent within 2 years)
November 23, 2010	<p>The Martinsville-Henry County EDC met in Richmond with representatives from the Tobacco Commission to discuss the Mega Site Grant Application</p> <p>Key points from this meeting:</p> <ul style="list-style-type: none"> • Commonwealth Crossing is farther along than any other site in the state • Mega Site vs. Mega Project • Question: If you receive a \$5 million grant, can Tobacco’s Funding be leveraged by local partners sufficient to finish grading to the point of being open for business?

COMMONWEALTH CROSSING: SITE LAYOUT

LEGEND

-  FEMA FLOOD PLAN
-  WETLANDS
-  PROPOSED PARCEL LINES
-  ROAD
-  SANITARY SEWER
-  SANITARY MANHOLE
-  WATER LINE
-  USABLE AREA
-  CUT OR FILL SLOPES



MASTER PLAN FOR COMMONWEALTH CROSSING BUSINESS CENTRE

HENRY COUNTY, VA
DECEMBER 2010

SUMMARY OF GRADING QUANTITIES

LOT #	LOT AREA (ACRES)	USABLE AREA (ACRES)	CUT (CY)	FILL (CY)	NET* (CY)
1	170.6	124.6	2,577,000	2,241,000	-1000
2	108.8	76.3	2,112,000	1,836,000	0
4	127.3	86.7	2,375,000	2,063,000	3,000
5	39.5	25.6	480,000	408,000	0
ROADWAY	-	-	178,000	136,000	36,000
PH 2 RD	-	-	32,000	66,000	-29,000
TOTAL	446.2	313.2	7,754,404	6,749,873	9,000

VIRGINIA
NORTH CAROLINA

EXHIBIT 1
SCALE: 1" = 400'

* - INCLUDES 15% SHRINKAGE

COMPETITIVE ADVANTAGES OF DEVELOPING CCBC

- Top 5 rail served sites, by acreage, in Virginia
- Top 2 rail served sites, by acreage, in the 39 county “Tobacco Region”
- The only shovel ready rail served site in the Southern Virginia Region
- Provides M-HC a prepared rail-served site of up to 200 pad acres (currently the largest graded pad in M-HC is 18.2 acres, and it is *not* rail served)
- Increases M-HC’s competitive advantage for Mega Projects
- Proximity to Greensboro Airport, FedEx Mid-Atlantic hub
- Centrally located in the growing aerospace cluster in VA/NC



CURRENT INVESTMENT IN COMMONWEALTH CROSSING

The City of Martinsville and Henry County has been proactive in the acquisition, engineering and environmental due diligence at Commonwealth Crossing with over \$9 million invested and/or committed to date.

The following lists the areas in which these funds have been secured:

DESCRIPTION	AMOUNT
Land Acquisition (720 acres)	\$2,600,000*
Master Plan of Site	\$100,000
Engineering/Wetlands Delineation	\$500,000
Water and Sewer Extension	\$4,200,000
Mid-Atlantic Broadband (fiber to site)	\$500,000
VEDP Major Employment and Investment Grant	\$1,500,000
TOTAL	\$9.4 M

*EDC Contribution is \$100,000 annually for the City of Martinsville and \$100,000 annually for Henry County

COMMONWEALTH CROSSING: **NEXT STEPS**

DATE/TIME	EVENT	AMOUNT
November 5, 2010	Major Employment and Investment (MEI) Grant awarded to Martinsville-Henry County for grading at Commonwealth Crossing Approved	\$1,500,000
December 9, 2010	Board Meeting: Harvest Foundation of the Piedmont Approved (contingent on other partners)	\$5,000,000
December 14, 2010	Tobacco Commission Special Projects Meeting (Roanoke, Va.) Recommended to full Commission which meets January 11 th Approval Anticipated (contingent on local funding)	\$5,000,000
January 3, 2011	Board of Supervisors Meeting: Henry County	\$3,333,300
January 3, 2011	City Council Meeting: City of Martinsville	\$1,666,700
January 11, 2011	Tobacco Commission Meeting	
January 2013	Commonwealth Crossing Business Centre Open for Business	

GRAND TOTAL \$16.5 M

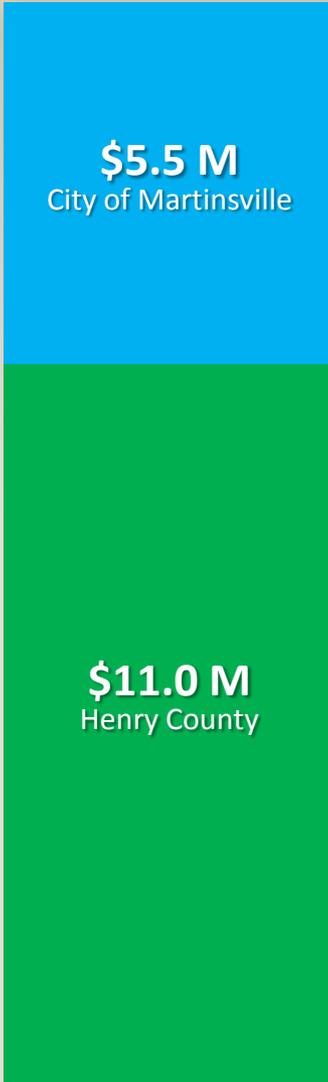
COMMONWEALTH CROSSING: **NEXT STEPS** (cont'd)

\$16.5 M



With Grant Funding

\$16.5 M



Without Grant Funding

THE CASE FOR **COMMONWEALTH CROSSING**

PROJECT	INITIAL CONTACT DATE	PRODUCT	PAD SIZE (ac.)	JOBS	CAPITAL INV. (\$M)
AMBER	7/5/2007	Manufacturing	n/a	200	\$500.0
BIF	7/19/2007	Manufacturing	10	84	\$3.0
BLUE	6/18/2008	Manufacturing	100	70	\$70.0
CHARLOTTE	11/1/2007	Bio-Fuels	12	25	\$13.0
FIRE	3/4/2009	Bio-Fuels	400	400	\$426.0
GCG	10/5/2009	Automotive	800+	3,000	\$3,000.0
KELVIN	12/7/2009	Data Center	100	150	\$450.0
MAINSTREAM	1/18/2008	Manufacturing	300	320	\$43.0
PERM	10/11/2010	Food Processing	15	300	\$26.0
PIEDMONT	8/20/2008	Manufacturing	25	250	\$5.0
SUNBELT	12/9/2008	Manufacturing	100	700	\$440.0
VERDE	11/12/2008	Food Processing	20	289	\$33.5
TOTAL				5,788	\$5.01B

COMMONWEALTH CROSSING: ESTIMATED LOCAL TAX REVENUE

Listed below is an estimate of the local tax revenues which could result from landing a large project at Commonwealth Crossing

Estimates listed below are based on the following assumptions:

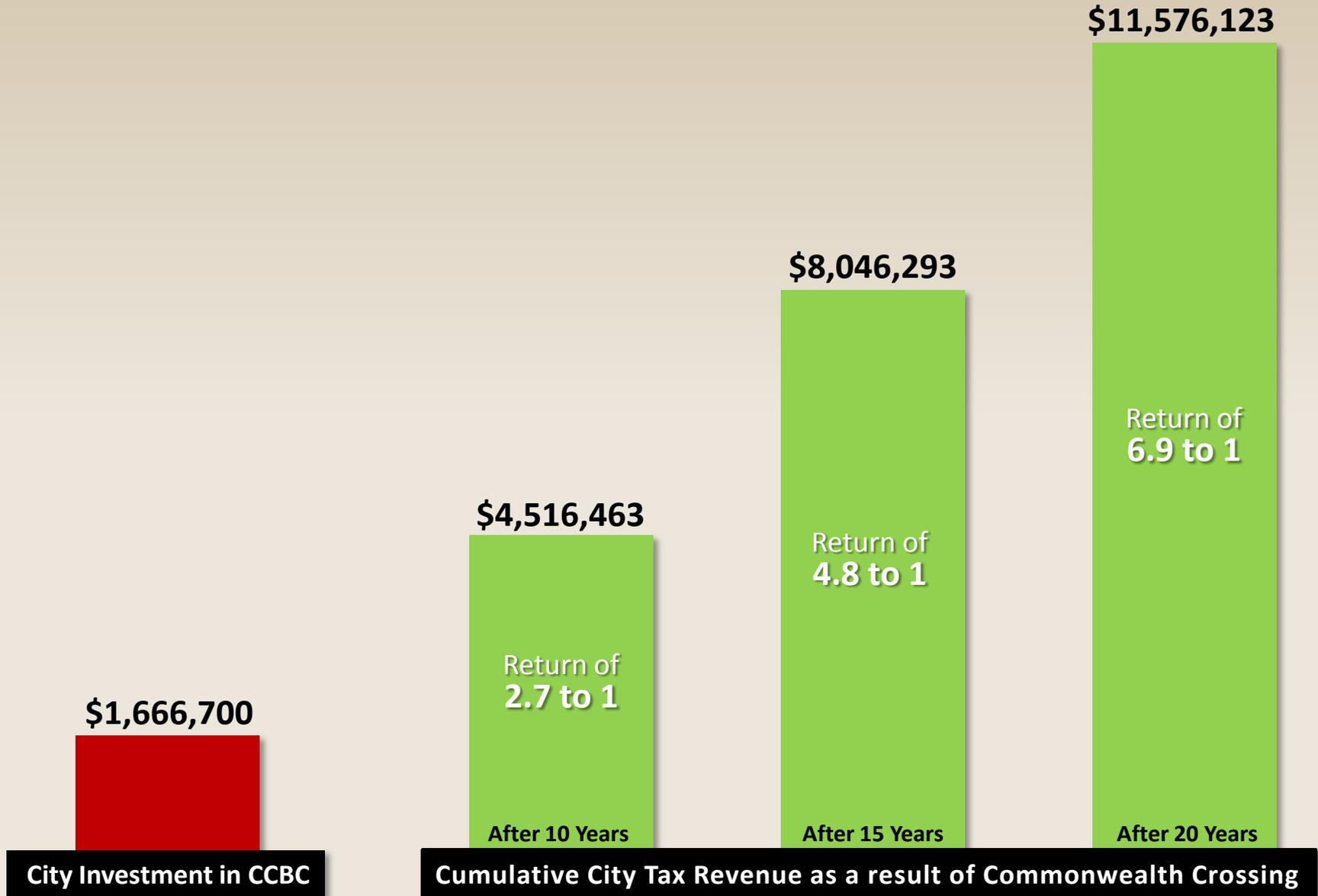
Real Property Investment	\$50,000,000
Machinery/Tools Investment	\$200,000,000
TOTAL INVESTMENT	\$250,000,000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10+
PROPERTY TAX \$0.46 per \$100 of assessed value	\$0	\$115,000	\$115,000	\$115,000	\$115,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000
MACHINERY & TOOLS TAX \$1.19 per \$100 assessed at 71%	\$0	\$844,900	\$844,900	\$844,900	\$844,900	\$1,689,800	\$1,689,800	\$1,689,800	\$1,689,800	\$1,689,800
ELECTRIC UTILITY TAX Based on 5,000,000 kWh/month	\$191,016	\$191,016	\$191,016	\$191,016	\$191,016	\$191,016	\$191,016	\$191,016	\$191,016	\$191,016
NATURAL GAS UTILITY TAX Based on 15,000 MCF/month	\$7,082	\$7,082	\$7,082	\$7,082	\$7,082	\$7,082	\$7,082	\$7,082	\$7,082	\$7,082
COLLECTED ANNUAL TOTAL	\$198,098	\$1,157,998	\$1,157,998	\$1,157,998	\$1,157,998	\$2,117,898	\$2,117,898	\$2,117,898	\$2,117,898	\$2,117,898

2/3 TO HENRY COUNTY	\$198,098	\$1,157,998	\$943,363	\$771,999	\$771,999	\$1,411,932	\$1,411,932	\$1,411,932	\$1,411,932	\$1,411,932
<i>Cumulative County Total</i>	<i>\$198,098</i>	<i>\$1,356,096</i>	<i>\$2,299,459</i>	<i>\$3,071,458</i>	<i>\$3,843,457</i>	<i>\$5,255,389</i>	<i>\$6,667,321</i>	<i>\$8,079,253</i>	<i>\$9,491,185</i>	<i>\$10,903,117</i>
1/3 TO CITY OF MARTINSVILLE	\$0	\$0	\$214,635	\$385,999	\$385,999	\$705,966	\$705,966	\$705,966	\$705,966	\$705,966
<i>Cumulative City Total</i>	<i>\$0</i>	<i>\$0</i>	<i>\$214,635</i>	<i>\$600,634</i>	<i>\$986,633</i>	<i>\$1,692,599</i>	<i>\$2,398,565</i>	<i>\$3,104,531</i>	<i>\$3,810,497</i>	<i>\$4,516,463</i>

COMMONWEALTH CROSSING: ESTIMATED CITY TAX REVENUE

Estimates listed below are based on a Real Property Investment of \$50M and a Machinery/Tools Investment of \$200M



OPEN
FOR **BUSINESS!**



COMMONWEALTH
CROSSING

BUSINESS
CENTRE

FOR INFORMATION CONTACT 276-403-5940

**CITY OF MARTINSVILLE
AND
COUNTY OF HENRY**

**COMMONWEALTH CROSSING BUSINESS CENTRE
INFRASTRUCTURE PROJECT**

MEMORANDUM OF UNDERSTANDING

January 3, 2011

The City of Martinsville and Henry County give high priority to economic development efforts aimed at creating jobs for area residents and increasing the local tax base to support expected service levels.

Development of Commonwealth Crossing Business Centre (CCBC) is a key component of the strategy embraced by the localities and by the Martinsville-Henry County Economic Development Corporation. Part of that development is site grading, road development, stream mitigation, storm water retention, etc. To secure various grant funds and expedite infrastructure development, the parties whose signatures are affixed below agree to the following:

Project Action Plan

1. Site grading of Lots 1 and 2, road development, stream mitigation, storm water retention, etc. to serve CCBC is an estimated cost of \$16,500,000.
2. Construction is scheduled to be complete within 24-30 months.

Funding Sources

1. VEDP Major Employment and Investment Grant - \$1,500,000
2. Tobacco Commission Grant - \$5,000,000
3. Harvest Foundation of the Piedmont Grant - \$5,000,000
4. City of Martinsville Contribution - \$1,666,700
5. Henry County Contribution - \$3,333,300

Obligation of Parties

1. The City and County can fund their contribution over at least two fiscal years (FY '12 and '13). The contribution may be spread over a longer period based on the exact construction schedule to be determined after receipt of bids for the development.
2. The City and County shall be reimbursed for each party's contribution from tax revenue generated from CCBC before any expenses are reimbursed that were incurred after the date of the MOU. The County and City shall be paid in

the same proportion as outlined in the Revenue-Sharing Agreement dated September 25, 2007 and the MOU related to the water and sewer infrastructure project dated August 24, 2010.

By affixing their signatures hereto, the Mayor of the City of Martinsville and the Chairman of the Henry County Board of Supervisors acknowledge that this MEMORANDUM OF UNDERSTANDING actively sets forth the project elements.

Kim Adkins, Mayor
City of Martinsville

Debra Buchanan, Chairman
Henry County Board of Supervisors