

**Report on the
City of Martinsville – Henry County
Revenue Sharing Agreements**



**Commission on Local Government
Department of Housing and Community Development
Commonwealth of Virginia
www.dhcd.virginia.gov**

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Executive Summary

On August 28th, 2023, the Commission on Local Government (the “Commission”) received a joint submission from Henry County (the “County”) and the City of Martinsville (the “City”) requesting that the Commission review two proposed Revenue Sharing Agreements (the “Agreements”). The proposed Agreements were developed pursuant to § 15.2-1301 of the Code of Virginia and regulations of the Commission on Local Government 1 VAC §§ 50-20-382 and 50-20-612. In accordance with the statute and regulations, the Commission is required to “investigate, analyze, and make findings of fact, as directed by law, as to the probable effect on the people residing in any area of the Commonwealth of any proposed action in that area.” (§ 15.2-2903, 4.h).

The filing before the Commission is the result of a joint resolution passed by the Henry County Board of Supervisors and the Martinsville City Council on August 22nd, 2023 (Appendix C). The joint resolution includes two economic growth sharing agreements. The first agreement is an amended and restated revenue sharing agreement for the Patriot Centre Expansion, an over 1,000-acre site known locally as the “Bryant Property” (“Patriot Centre Agreement”). The second is a restated and amended revenue sharing agreement for Commonwealth Crossing, an industrial site located next to US-220 S at the Virginia/North Carolina state line with an amendment outlining specific terms for Lot 2 (Appendix E), a 200-acre undeveloped site (“Commonwealth Crossing Agreement”).

The Commission’s findings of fact indicate that the Agreements will support the short- and long-term economic interest of the County and City (the “Parties”), stakeholders, and citizens in areas covered by the Agreements. The Commission recommends adoption of the Agreements as the proposed changes support sustained, meaningful investments in high impact economic development projects and meet its standard of review for economic growth sharing agreements.

The report that follows is the Commission’s findings of fact and recommendations on the two Agreements. First, the report will overview the proceedings of the Commission. Second, it will describe the two Agreements and related stakeholders to the Agreements. Third, it will discuss the relevant standard of review and apply that standard to the Agreement through findings of fact on each. Finally, it will present its recommendations on the Agreements.

Proceedings of the Commission

On August 28th, 2023, the Commission on Local Government (the “Commission”) received a joint submission from Henry County (the “County”) and the City of Martinsville (the “City”) requesting that the Commission review two proposed Revenue Sharing Agreements (the “Agreements”). The proposed Agreements were developed pursuant to § 15.2-1301 of the Code of Virginia and regulations of the Commission on Local Government 1 VAC §§ 50-20-382 and 50-20-612.¹ The Agreements represent amendments and restatements of the original 2007 Revenue Sharing Agreement (the “Original Agreement”) between the Parties which proposed revenue sharing provisions for both the Patriot Centre Property and the Commonwealth Crossing Property (Appendix D). These Agreements separate the Original Agreement into two separate agreements, with the Patriot Centre Agreement governing revenue sharing from development of the Patriot Center Property and the Commonwealth Crossing Agreement governing revenue sharing from development of the Commonwealth Crossing Property, and additionally, modifies the Commonwealth Crossing Agreement to provide partial funding to the Martinsville-Henry County Economic Development Corporation (the “EDC”).

The Commission heard testimony from Henry County on the Agreements at its regular meeting on September 8th, 2023. Staff and Commission members interviewed representatives separately from Martinsville and the Martinsville-Henry EDC to gather additional facts for this report.

This report was adopted at the Commission’s November regular meeting and sent to the Parties for their consideration. The Agreements shall not become binding on the Parties until it has been adopted by ordinance by both Parties after a public hearing following the Commission’s report.²

¹ The submission of Items related to these regulations can be found in Appendix A.

²Per § 15.2-1301, both the County and the City must conduct a public hearing following the Commission’s report on the Agreements. Only then can their respective elected bodies vote to adopt the provisions of the Agreements. Additionally, the public was able to comment on the resolution currently before the Commission as it was subject to a public vote from both localities’ governing bodies.

Characteristics of Regional Economic Development Entities and Proposed Area for Revenue Sharing

Regional Economic Development Entities

The County and City have cooperated for decades in mutually beneficial economic development efforts. The main stakeholders relevant to the Commission's findings on the Agreements include the Martinsville-Henry County EDC, the nonprofit Harvest Foundation of the Piedmont (the "Foundation"), and the Industrial Development Authority of Henry County (the "IDA")

Martinsville-Henry County Economic Development Corporation

The EDC was created in 2004 as a public-private partnership between the Parties and the non-profit Harvest Foundation of the Piedmont, to support and develop local industry, create new job opportunities, and expand the tax base in the Martinsville-Henry County area. The EDC combines the economic development efforts of the City and County and enhances their ability to develop and market shovel-ready sites for growing companies.

The EDC's role is to market the sites and run the day-to-day economic development activities for the Parties. Additionally, it is the primary entity involved in marketing sites within the Patriot Centre and Commonwealth Crossing industrial areas, including the future occupant of Lot 2 at Commonwealth Crossing.

The EDC's is reliant on external revenue sources to fund its operating costs and activities. Historically, the EDC's revenue included investments from the County, City, and the local Chambers of Commerce. However, the EDC's operational funding has shifted over time, and the current bulk of the EDC's operational revenue stems from the Harvest Foundation. The Foundation provides approximately \$2 million per year in current operational funding in addition to funding from the County (~\$500,000/FY) and City (~\$100,000/FY).

Harvest Foundation of the Piedmont

The Harvest Foundation of the Piedmont was created in 2004 following the sale of the Memorial Health System (Memorial Hospital of Martinsville). The funds created by the sale

seeded the establishment of the Foundation, which is intended to inspire, invest in, partner with and support community initiatives in health, education, and community vitality within the region.

As part of its process to serve as stewards of the Foundation's resources and the surrounding region, the Foundation is in the process of reducing ongoing operational funding for the EDC by 5% per year. This tapering of operational funding in favor of one-time grants for specific projects will better serve the nature of the Foundation's budgetary constraints (where the funds it has in any given year are dependent upon proceeds of the Foundation's investments).

To supplement this loss of operational revenue, the Foundation proposed to the Parties modifying the Original Agreement to provide the EDC a share of the collected revenue. To further support the development of the Agreements, the Foundation has proposed a \$6 million grant following the adoption of the Agreements by the Parties. This grant will provide critical matching dollars for a state grant enabling the EDC to grade Lot 2 within the Commonwealth Crossing property, which is critical for its marketability as a potential site for businesses.

Industrial Development Authority of Henry County

The Industrial Development Authority of Henry County, Virginia (the "IDA") is a legally separate, but component unit of government of Henry County.³ The Henry County IDA promotes economic development by assisting businesses and providing bond financing (such as through the County's Enterprise Zone Program). Additionally, the IDA owns Henry County's industrial park properties, including the Commonwealth Crossing and Patriot Center Expansion areas. The County provided ~\$4.3 million from its general fund for the IDA to conduct its economic development activities in FY22.

The IDA is a mechanism by which the County owns the industrial parks. Conversely, while the land in these areas is owned by the IDA of Henry County, the EDC is the primary entity responsible for managing and marketing these sites.

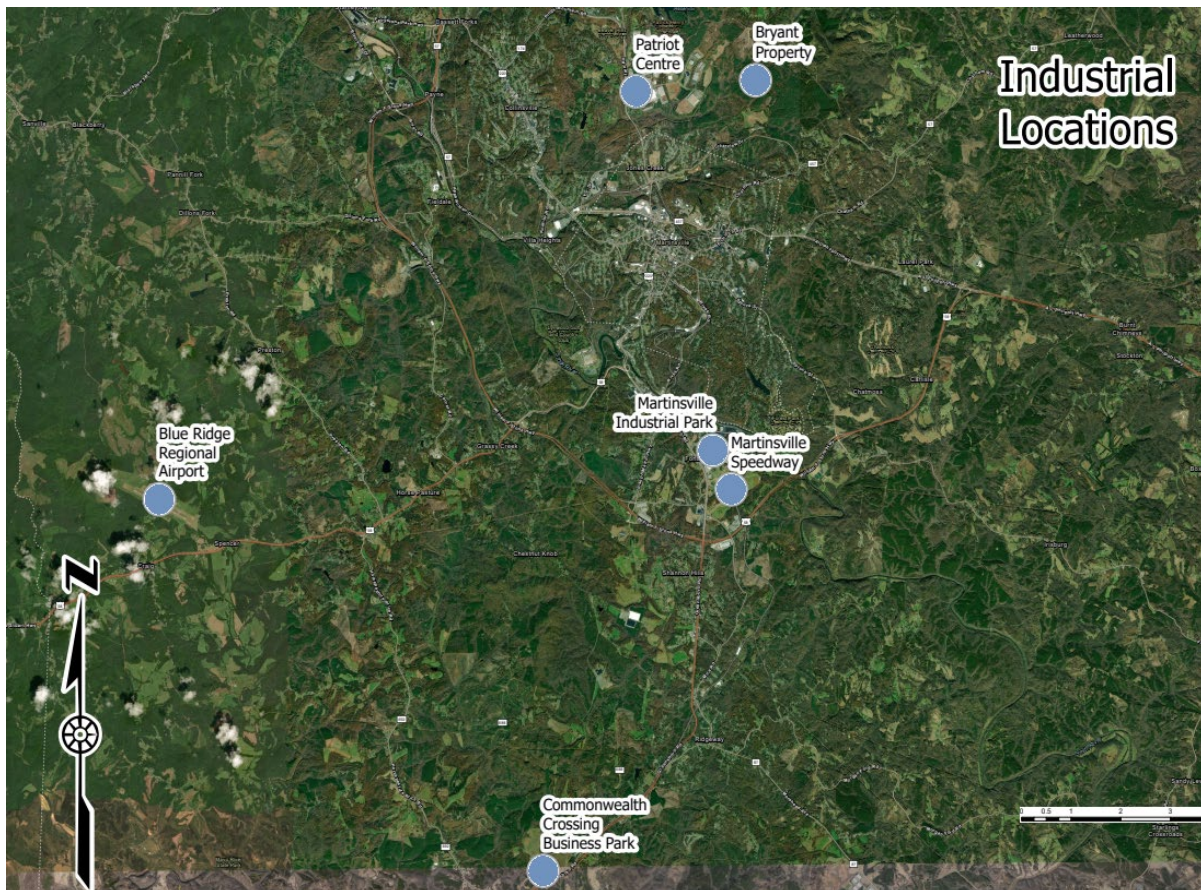
Proposed Area under the Agreements

The sites at the Patriot Center and Commonwealth Crossing are publicly owned by Henry County through its IDA. The Patriot Center is currently occupied by companies such as Eastman,

³ The IDA is a legally separate organization; however, the Board of Supervisors of the County appoints all of the IDA's Board, and the County is legally obligated for the debts of the IDA.

Howmet Aerospace, Monogram Food Solutions, and Nautica. The 300 available acres at the Patriot Center (the “Bryant Property”) is part of the County’s long-term economic development plans. Commonwealth Crossing is a newer development that includes Press Glass, Crown Holdings, the Commonwealth Center for Advanced Training (CCAT), and the undeveloped 200-acre Lot 2. Press Glass has recently announced expanded operations (Appendix G) and the EDC has received interest from several companies to occupy Lot 2. The benefits of Commonwealth Crossing include acreage, water, an Appalachian Power substation, access to the Norfolk Southern main rail line, and access to US-220 (soon to be I-73).

Figure 1: Location of Industrial Sites in Henry County



Provisions of the Agreement

The City and County shared an Original Agreement for the Patriot Center and Commonwealth Crossing made in 2007 (Appendix D). This Original Agreement directed the IDA to use funds for expanding the Patriot Center (the “Bryant Property”) and developing Commonwealth Crossing. The Original Agreement split tax revenues from the sites, proportional

to the level of services the localities provide and their investments into developing the sites. The City of Martinsville received one-third of the revenue and Henry County received two-thirds. The terms of the agreement were identical for both the Patriot Center and Commonwealth Crossing.

The joint resolution offered by the Parties separates the Patriot Center and Commonwealth Crossing into the two Agreements, each with the same terms as the 2007 Original Agreement. In addition, those terms, the Commonwealth Crossing Agreement adds an amendment for Lot 2 which includes a tax incentive schedule for a company, funding to the EDC, and tax revenue sharing between the City and County. As displayed in Table 1, the amendment terms are as follows:

- In year 1, 100% of Lot 2’s tax revenue is returned to the company according to Enterprise Zone laws.
- In years 2-5, 50% of the tax revenue is returned to the company. 10% of the remaining revenue goes to the EDC (5% of total revenues), and the remaining revenue is split 2/3 to the County and 1/3 to the City (30% and 15% of total revenues, respectively).
- In years 6-10, any remaining rebates are returned to the company pursuant to Enterprise Zone laws. 10% of total revenue goes to the EDC, and the remaining revenue is split 2/3 to the County and 1/3 to the City (60% and 30% of total revenues, respectively).

The complete provisions of the agreement can be found in Appendix A.

Table 1: Table 1: Share of Total Revenue for Each Party for Commonwealth Crossing Lot 2 Amendment

Year	Lot 2 Company	EDC	County	City
Year 1	100%	0%	0%	0%
Year 2-5	50%	5%	30%	15%
Year 6-10	0%	10%	60%	30%

Standard of Review

The proposed Agreements were negotiated under § 15.2-1301, which enables any combination of counties, cities or towns to enter agreements to share in the benefits of the

economic growth of their localities. However, the Commission must review these agreements and make their findings of facts and recommendations on them as to the probable effect of the action on the people residing in the affected areas.⁴

As such, the Commission reviewed the Agreements and the additional data elements necessary to make findings of fact and recommendations as to the impacts of these Agreements on the Parties, relevant stakeholders, and affected citizens in the area. In doing so, the Commission considered the specific short-term economic impacts of the Agreement. Furthermore, the Commission, as part of its' statutory intent to "ensure that all of its localities are maintained as viable communities in which their citizens can live," considered the impact of the Agreements' impact on the strength and viability of both communities as gauged by the long-term economic impacts.⁵

Outcomes

The primary outcomes of the Agreements are a return on investment for the Parties, an accelerated timeline for development at Lot 2 of Commonwealth Crossing, and a stable revenue stream for the EDC.

First, the Agreements will enable the Parties to recover their investments in site development. The updated Agreements separate the Patriot Center Expansion and Commonwealth Crossing because the latter is expected to produce revenue sooner. By separating the Patriot Center and Commonwealth Crossing Agreements, and by including a specific incentive/revenue sharing schedule for Lot 2, the localities will have greater certainty that a new company occupying Lot 2 can provide revenue in the near future.

The second outcome is an accelerated timeline for the development of Lot 2 of Commonwealth Crossing. The Agreements set into motion a Harvest Foundation grant to serve as matching funds for a state grant that will allow grading of the site to begin by April 2024. Fifty-seven (57) acres of Lot 2 are already graded, and funding as a result of the Agreements will help finish the shovel-ready pad (prominently 90 more acres). The grading is critical towards marketing the site to prospective companies who are concerned about their 'speed to market'.

Lastly, the Agreements provide a long-term, stable revenue stream for the EDC, enabling it to reduce its dependence on annual appropriations from the Parties and from the Harvest

⁴ Va. Administrative Code, 1VAC50-20-382, 2023.

⁵ Va. Code Ann. § 15.2-2900 (2023).

Foundation. The Parties can use funds from the Agreement rather than continuing to draw from their general funds for economic development activities and to support the EDC. Annual revenues to the EDC will be impactful for the Harvest Foundation because it will be able to focus on other local priorities while continuing to fund the EDC through grants, which are easier to manage than annual commitments. Revenue for the EDC in this agreement will ensure that a portion of the money raised from the project is being reinvested back into more economic development activities.

Benefits and Costs for City and County

The primary benefit for the City and County in this agreement will be the quick recouperation of their investment into Commonwealth Crossing and the Patriot Center. Approximately \$1.9 million has been invested to date by the City in Commonwealth Crossing.⁶ Henry County has invested \$7.9 million into the project. A breakdown of funding sources for Commonwealth Crossing can be found in Appendix F.

Projected revenue from Lot 2 alone will easily allow the City and County to recoup their investments. Based on a minimum \$500 million capital investment into Lot 2, the Parties project about \$2.5 million to the EDC over 10 years, \$9.1 million to the City and \$18.2 million to the County. Upper projections based on a \$1.5 billion capital investment into Lot 2 are \$81.9 million to the EDC, \$27.3 million to the City, \$54 million to the County over 10 years.⁷ In addition, these revenues represent an expanded tax base for the City and County, allowing them to provide needed services without over-taxing residents.

The Commission found no immediate quantifiable costs for the City and County entering into the Agreements. However, some challenges that may come with a population influx as a result of additional jobs may include housing supply, school capacity, and the availability of services such as healthcare, public works, and social services. The Commission finds that the additional revenues generated as a result of the Agreements will effectively meet the growing needs of the community. The Parties testified that economic development in the region is not straining public services and it is part of a logical economic growth plan.

⁶ Testimony from Leon Towarnicki, City of Martinsville

⁷ Testimony from Mark Heath, MHCEDC

Benefits and Costs for Residents

The Parties have experienced positive growth in key areas over the last several years. According to the U.S. Census Bureau, the area has experienced 24% wage growth from 2019-2022, highest of any micro-population area in Virginia. This was in part caused by additional capital investment from Press Glass, whose expansion represents the largest single investment by a company in Henry County's history.⁸

The Agreements will enable future investment in Commonwealth Crossing in the form of additional capital and business investment. This investment coming to Lot 2 will bring additional high paying jobs to the area, benefiting current and future residents. These jobs are vital to support other businesses, retain talented young people in the region, and provide a foundation to continue a safe and vibrant community.

The Commission found no costs for residents of the City of Martinsville or Henry County. Furthermore, the public revenue from Lot 2 will also relieve residents from some of the tax burden for public services, enabling the City and County to meet the needs of schools and public works.

Allowing the Harvest Foundation flexibility to inject funding into the EDC via grants for specific projects, rather than yearly appropriation, will also have a positive impact on residents. The Harvest Foundation will be able to refocus on other community efforts such as healthcare, housing, education, and recreation, providing additional benefits for residents in the region.

Impact on Interests of the Commonwealth

While the applicable statutes do not require the Commission to consider the interests of the Commonwealth in its review of revenue sharing agreements, this has been a vital consideration in the Commission's prior work on interlocal issues. The Commission's primary interests in this case are the viability of local governments and the promotion of orderly economic growth.

The Agreements promote the fiscal health of both Henry County and the City of Martinsville by allowing them to recoup their investments in recent economic development activities and through making strategic investments in their long-term economic development. Through making efforts to collaborate in economic development activities, the Parties, stakeholders and affected citizens will recoup direct and indirect benefits from such investments,

⁸ Testimony from George Lyle, Henry County

and ultimately allow the localities to provide needed services without overburdening their local tax bases.

Findings of Fact and Recommendation

The Commission is authorized by Va. Code § 15.2-2903 “to investigate, analyze, and make findings of fact, as directed by law, as to the probable effect” of the proposed agreement on the people residing in that area. Accordingly, the Commission makes the following findings:

- The Agreements enable the EDC to grade Lot 2 of Commonwealth Crossing, making the site shovel-ready for a new company to operate.
- The Agreements provide long-term, stable revenue for the EDC, allowing it to continue economic development efforts in the region.
- The Agreements provide a return on investment for the City and County and expands their tax bases, allowing them to provide needed services without over-burdening residents.

The Commission’s findings of fact indicate that the Agreements will support the short- and long-term economic interest of the County and City (the “Parties”), stakeholders, and citizens in areas covered by the Agreements. The Commission recommends adoption of the Agreements as the proposed changes support sustained, meaningful investments in high impact economic development projects and meet its standard of review for economic growth sharing agreements.

Concluding Comment

The Commission on Local Government recognizes the efforts put forth by the officials of the City of Martinsville and Henry County and the various stakeholders involved. The Commission finds that the proposed Revenue Sharing Agreements will continue the mutually beneficial arrangement of the Original Agreement and provide short- and long-term economic benefits to both localities while supporting the cooperative efforts of these localities to invest in the long-term strength and economic viability of their communities.

Respectfully submitted,

Ceasor T. Johnson, D.Min., Chair

Edwin S. Rosado, Vice Chair

Diane M. Linderman

Robert Lauterberg

Appendix A

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: AMENDED AND RESTATED REVENUE)
SHARING AGREEMENTS BETWEEN HENRY)
COUNTY, THE CITY OF MARTINSVILLE AND)
INDUSTRIAL DEVELOPMENT AUTHORITY)
OF HENRY COUNTY)

JOINT SUBMISSION OF HENRY COUNTY, VIRGINIA AND THE CITY OF MARTINSVILLE, VIRGINIA PROVIDING INFORMATION REGARDING COMMISSION REVIEW OF RESTATED AND AMENDED REVENUE SHARING AGREEMENTS BETWEEN AND AMONG HENRY COUNTY, THE CITY OF MARTINSVILLE AND HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

County of Henry, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**), by their counsel, hereby provide the Commission on Local Government (**the "Commission"**) with information and data related to the factors listed in § 1 Virginia Administrative Code ("VAC") 50-20-612 concerning two proposed economic growth sharing agreements between and among the County, the City and the Industrial Development Authority of Henry County (**the "IDA"**).

A. INTRODUCTION

The City and the County have cooperated for decades in mutually beneficial economic development efforts, including establishing a joint enterprise zone program, working together with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**)¹ and entering into a Revenue Sharing Agreement to share the benefits of development of two separate industrial and business sites in the County (described below as the Original Agreement).

The two agreements that are the subject of this submission are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**).

The Agreements are "Amended and Restated" because they relate to an original Revenue Sharing Agreement dated September 25, 2007 among the County, the City and the IDA providing

¹ The EDC is Virginia not-for-profit corporation, described as a public-private partnership between the County, the City and the Harvest Foundation of the Piedmont; its mission is to support and develop local industry, create new job opportunities and expand the tax base in the Martinsville-Henry County area.

for the County and the City to share tax revenues generated by development at the property that is subject to the Patriot Centre Agreement (**the "Patriot Centre Property"**) and the property that is subject to the Commonwealth Crossing Agreement (**the "Commonwealth Crossing Property"**). As Amended and Restated Agreements, the actions of the Commission in reviewing the Agreements and making findings as provided for under Code of Virginia §15.2-1301 will allow the County and the City to proceed with holding public hearings on the Agreements and consider final adoption of the Agreements as new economic growth sharing agreements, all in accordance with Code of Virginia §15.2-1301.

As stated in the Agreements, the City and County have now determined it would be appropriate to separate the Original Agreement into two separate agreements, with the Patriot Centre Agreement governing revenue sharing from development of the Patriot Center Property and the Commonwealth Crossing Agreement governing revenue sharing from development of the Commonwealth Crossing Property, and in addition to modify the Commonwealth Crossing Agreement to provide partial funding to the EDC (issues related to funding of the EDC are further described below).

Notice of this referral to the Commission, copies of the Agreements and an annotated listing of documents, exhibits and materials submitted to the Commission has been sent to each Virginia locality contiguous to the County and the City or with which either the County or the City shares any function, revenue, or tax source. These localities include the Counties of Patrick, Franklin and Pittsylvania, the City of Danville and the Town of Rocky Mount.

On July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA voted in favor of approval the Agreements. It is the intent of both the Board of Supervisors of the County and the City Council of the City by making this submission to consider final approval of the Agreements subsequent to the Commission's review and each of the governing bodies holding a public hearing thereon.

B. INFORMATION RESPONSIVE TO FACTORS LISTED IN 1VAC 50-20-612

Listed below are the factors set forth in 1VAC 50-20-612 and the information and data submitted by the County and the City responsive to each factor.

1. A copy of the proposed agreement and a description of the economic growth-sharing plan.

Copies of the Patriot Centre Agreement, the Commonwealth Crossing Agreement (including the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Addendum"**)) are attached hereto. The Commonwealth Crossing Addendum concerns a portion of the Commonwealth Crossing Property described in the Commonwealth Crossing Addendum as "Lot 2."

These Agreements modify and supersede the Original Agreement. The Agreements provide for the County and City to share in all revenues generated by the real estate, personal property, machinery and tools, and consumer utility taxes collected by the

County from the businesses located in the Patriot Centre Property and the Commonwealth Crossing Property (excluding Lot 2 thereof), with the County to retain 2/3 of such revenues and to pay the City 1/3 of such revenues. These provisions mirror those of the Original Agreement.

Lot 2 is to be subject to different provisions. The Harvest Foundation² has committed to invest \$6 million to further develop Lot 2. In addition, Lot 2 has been selected by the Governor of Virginia to receive a grant in the amount of \$22,237,705, to be administered by the Virginia Economic Development Partnership. Planned investments will allow Lot 2 to be marketed as a 200-acre site with a 150-acre graded pad, which would be the largest contiguous industrial site ever developed in Martinsville-Henry County.

Historically, the EDC has been funded by the County, the City and the Harvest Foundation, with the Harvest Foundation providing the largest amount of funding. Harvest Foundation now desires to reduce its funding of the EDC's annual operating costs. However, as noted above, Harvest Foundation has agreed to fund \$6 million of the development costs of Lot 2, and the County, the City and the IDA have provided in the Commonwealth Crossing Addendum for the EDC to receive a portion of revenues generated from the development of Lot 2, when it occurs, to help offset the reduced funding to the EDC from the Harvest Foundation. Details of EDC funding are set forth in Section 4 below.

2. **A description of the financial investment or other contributions which each participating locality will make to the projects(s) envisaged under the agreement.**

The County and City have to date made financial investments in the Patriot Centre Property and the Commonwealth Crossing Property to increase the marketability of the sites, primarily for engineering work roadways, landscaping, roadway and landscape maintenance, street lights, utility payments and construction of a shell building. The County and the City agree that the 2/3 – 1/3 split of net revenues (tax receipts) between the County and the City described in Section 1 above is a fair and equitable return reflecting the amounts of the parties respective investments.

3. **Projections of each participating locality's net annual receipt or net annual contributions to the projects(s) specified in the agreement for the next 10-year period, or for a lesser or greater period, as deemed appropriate.**

Future County and City contributions to development of the Patriot Centre Property and the Commonwealth Crossing Property are currently unknown. Significant potential investment by private industry could result in one or more Performance Agreements or similar arrangements whereby the County and/or City would make

² The Harvest Foundation was created about 20 years ago, funded with proceeds from the sale of Martinsville Memorial Hospital. The Harvest Foundation uses its assets and investment earnings on its assets to invest in a variety of public projects in the Martinsville-Henry County area.

investments to promote economic development, but the terms of any such agreements cannot presently be determined.

Regarding projections of annual receipts to the County and City, see answer to Number 5 below.

4. **A description of any dedication or restriction on the use of funds generated by the projects(s) specified in the agreement for the participating localities.**

For the Patriot Centre Property and the Commonwealth Crossing Property (not including Lot 2), the County is to be reimbursed for land, infrastructure costs, and operating expenses in excess of grant funds, and after repayment of any cash incentives that may have been paid by the County there are no conditions that restrict the use of tax revenue shared by the County and the City.

For the Lot 2 portion of the Commonwealth Crossing Property, funds generated by project development are subject to the following provisions:

- a. Year 1: One-hundred percent (100%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- b. Year 2: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- c. Year 3: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- d. Year 4: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- e. Year 5: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- f. Years 6 through 10: All rebates due pursuant to Enterprise Zone incentive law, if any, shall be paid to the company /landowner. Ten percent (10%) of the remaining tax revenue collected shall be distributed to the EDC. The remainder of such tax

receipts shall be disbursed in accordance with the original terms of the Amended Agreement.

5. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the annual operating expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

Revenues received by either the County or the City under the Agreements may be applied by the County and the City, respectively, for any lawful purpose, including operating expenditures or capital expenditures. The County and the City have not planned for or budgeted any potential revenues that may be received under the Agreements due to future development at either the Patriot Centre Property or the Commonwealth Crossing Property.

The amounts of real estate, personal property, machinery and tools, and consumer utility taxes to be received by the County and City under the Agreements will depend on the amounts and types of investments at the Patriot Centre Property and the Commonwealth Crossing Property. Economic development consultants have advised local officials that a pad-ready site with rail access and the fully developed utilities currently in place would be highly desirable to large industries and should generate an investment of at least \$500 million. While highly speculative, and understanding that such investments could take more than 10 years to complete, given current patterns in advanced manufacturing, an investment of that amount could generate about \$6 million in real estate and personal property tax revenues (once all enterprise zone benefits are satisfied) to be shared by the County and the City in accordance with the terms of the Agreements.. These amounts will benefit the County and the City and be available to be utilized in annual operating budgets or annual capital expenditure budgets, or both.

6. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the current and prospective capital expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

See response to Number 5 above.

7. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the debt and annual debt service of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

Revenues received by the County and the City under the Agreements will have no impact on the debt of either the County or the City and will have no impact on the annual debt service of either the County or the City.

8. **Information indicating the general equity of the proposed plan for each participating locality.**

The Agreements reflect a County-City partnership in developing the Patriot Centre Property and the Commonwealth Crossing Property. The County and the City will


both benefit from increases in real estate, personal property, machinery and tools, and consumer utility taxes resulting from development of these properties, and employment opportunities resulting from development of these properties will benefit both County and City residents. The Agreements were crafted to reflect the contributions of both the County and the City to such development, as well as contributions made by the EDC to economic development in the region.

9. **Other information which would assist the Commission in analyzing the "probable effect on the people" in the participating jurisdictions of the proposed agreement**


There are no negative impacts anticipated for citizens of either the County or the City. Tax revenues to be shared are based on applicable tax rates with no additional tax increases. As noted above, the Harvest Foundation has committed to invest \$6 million in a portion of the Commonwealth Crossing Property. For tax reasons, the Harvest Foundation needs to do so by the end of the calendar year, and its commitment to do so is dependent on the County and City finalizing the Agreements. Thus, the County and the City request Commission review and subsequent issuance of Commission findings be completed by the middle of November, and in any event no later than the end of November. This will allow the County and the City each to hold the required public hearings and make final approvals of the Agreements in the late November/early December time frame. The required County and City public hearings cannot be held until the Commission issues its required findings. Issuance of the Commission's findings in accordance with this schedule will allow the County and the City to hold the public hearings and take necessary action by no later than early December, which action can then be communicated to the Harvest Foundation to allow the Harvest Foundation to undertake its necessary actions and provide its significant \$6 million investment by the end of December, 2023.

Respectfully submitted this 28th day of August, 2023 by:

HENRY COUNTY, VIRGINIA

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Email: glyle@co.henry.va.us
Counsel for Henry County, Virginia

CITY OF MARTINSVILLE, VIRGINIA

By: 
Paul C. Jacobson
Sands Anderson PC
1005 Slater Road, Suite 200
Durham, NC 27703
Phone: (919) 313-0045
Email: pjacobson@sandsanderson.com
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P.O. Box 2009
150 Peppers Ferry Rd. NE
Christiansburg, VA 24068-2009
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Counsel for Henry County, Virginia

Appendix B

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: AMENDED AND RESTATED REVENUE)
SHARING AGREEMENTS BETWEEN HENRY)
COUNTY, THE CITY OF MARTINSVILLE AND)
INDUSTRIAL DEVELOPMENT AUTHORITY)
OF HENRY COUNTY)

NOTICE OF HENRY COUNTY, VIRGINIA AND THE CITY OF MARTINSVILLE, VIRGINIA OF THEIR REFERRAL TO THE COMMISSION ON LOCAL GOVERNMENT OF RESTATED AND AMENDED REVENUE SHARING AGREEMENTS BETWEEN AND AMONG HENRY COUNTY, THE CITY OF MARTINSVILLE AND HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

The County of Henry, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**), by their counsel, hereby notify the Commission on Local Government (**the "Commission"**), and all Virginia local governments contiguous to, or sharing any function, revenue, or tax source with the County or the City, of their referral of two proposed economic growth sharing agreements between and among the County, the City and the Industrial Development Authority of Henry County (**the "IDA"**) to the Commission for review in accordance with the provisions of §§ 15.2-1301 and 15.2-2903(4) of the Virginia Code, and § 1 Virginia Administrative Code ("VAC") 50-20-382 and 50-20-612,

The two proposed agreements are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion, concerning property commonly known as the "Bryant Property" (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**). Copies of the Patriot Centre Agreement and the Commonwealth Crossing Agreement, including the First Addendum thereto, are attached to this Notice.

In support of this Notice, the Parties state the following:

1. The City and the County have cooperated for decades in mutually beneficial economic development efforts, including establishing a joint enterprise zone program, working together with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**)¹ and entering into a Revenue Sharing Agreement dated September 25, 2007 to

¹ The EDC is Virginia not-for-profit corporation, described as a public-private partnership between the County, the City and the Harvest Foundation of the Piedmont; its mission is to support and develop local industry, create new job opportunities and expand the tax base in the Martinsville-Henry County area.

- share the benefits of development of two separate industrial and business sites in the County (**the "Original Agreement"**).
2. The two separate industrial and business sites subject to the Original Agreement are described in Schedule A of the Patriot Centre Agreement (**the "Patriot Centre Property"**) and Schedule A of the Commonwealth Crossing Agreement (**the "Commonwealth Crossing Property"**).
 3. As stated in the Agreements, the City and County have determined it would be appropriate to separate the Original Agreement into two separate agreements, one relating to the Patriot Center Property and one relating to the Commonwealth Crossing Property, and to provide partial funding to the EDC from revenues generated by development on Lot 2 (as described in Section 4 below).
 4. The First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Addendum"**) concerns a portion of the Commonwealth Crossing Property described in the Commonwealth Crossing Addendum as "Lot 2."
 5. On July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA voted to approve the Agreements.
 6. Code of Virginia § 15.2-1301 provides that revenue, tax base and economic growth-sharing agreements such as the Agreements shall be referred to the Commission for review and issuance of findings in accordance with Code of Virginia 15.2- 2903(4).
 7. On August 22, 2023, the County and City each passed a Joint Resolution of Henry County and the City of Martinsville requesting that the Commission review the Agreements and make the appropriate findings (**the "Joint Resolution"**).
 8. 1 VAC 50-20-612 provides that in developing its findings of fact and recommendations with respect to a proposed voluntary economic growth-sharing agreement referred to the Commission for review in accordance with Code of Virginia 15.2- 2903(4), the Commission shall consider certain information, data, and factors listed in 1 VAC 50-20-612. The County and the City have provided such information to the Commission in the Joint Submission by Henry County and the City of Martinsville Regarding the Amended and Restated Revenue Sharing agreements between Henry County, the city of Martinsville and the industrial Development Authority of Henry County.
 9. 1 VAC 50-20-382(D) provides that any local government receiving this notice of referral, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as it deems appropriate.
 10. The County and City have each designated as their principal contacts with the Commission the following individuals, who along with the undersigned Counsel, may be contacted by the Commission or any locality to whom this Notice is sent:

HENRY COUNTY

Dale Wagoner, Henry County Administrator
P.O. Box 7
Collinsville, VA 24079


Phone: (276) 634-4601
Email: dwagoner@co.henry.va.us

CITY OF MARTINSVILLE
Glen Adams, Interim Martinsville City Manager
P.O. Drawer 1112
Martinsville, VA 24114


11. Pursuant to 1 VAC50-20-382, the County and the City have mailed copies of this Notice, the Joint Resolution, the Agreements and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreements.
12. The undersigned counsel certify pursuant to 1 VAC50-20-390(L) that the information provided in this Notice came from publicly available sources and was learned during the course of representation of such counsel's respective client. The undersigned further certify that the information provided in this Notice is correct within the knowledge of the submitting party.

WHEREFORE, Henry County, Virginia and the City of Martinsville, Virginia request that the Commission review the Agreements and make its findings at the earliest possible time, but in any event by the end of November, 2023, in accordance with the requirements of §§ 15.2-1301 and 15.2- 2903(4) of the Virginia Code.

HENRY COUNTY, VIRGINIA

By: 
George Glyle (VSB #40572)
Henry County Attorney
3300 Kings Mountain Road
Martinsville, Virginia 24112
Phone: (540) 276-634-4601
Email: glyle@co.henry.va.us
Counsel for Henry County, Virginia

CITY OF MARTINSVILLE, VIRGINIA

By: 
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P.O. Box 2009

Christiansburg, VA 24068-2009
Phone: (540) 260-3033
Email: sdurbin@sandsanderson.com
Counsel for City of Martinsville, Virginia

LOCAL GOVERNMENTS NOTIFIED

Pursuant to 1 VAC50-20-382, the County and City have mailed copies of this Notice, the Joint Resolution, the Agreements and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreements to each of the following Virginia local governments contiguous with the County and/or City, or which the County or City shares any function, revenue or tax source.

Patrick County, Virginia
c/o Patrick County Administrator
P.O. Box 466
106 Rucker Street
Stuart, Va. 24171

Franklin County, Virginia
c/o Franklin County Administrator
1255 Franklin Street
Rocky Mount, VA 24151

Pittsylvania County, Virginia
c/o Pittsylvania County Administrator
P.O. Box 426
1 Center Street
Chatham, VA 24531

City of Danville, Virginia
c/o Danville City Manager
427 Patton Street, 4th Floor
Danville, VA 24541

Mailing address
City of Danville, Virginia
c/o Danville City Manager
P.O. Box 3300
Danville, VA 24543

Town of Rocky Mount
c/o Rocky Mount Town Manager
345 Donald Avenue
Rocky Mount, VA 24151

Town of Ridgway

c/o Ridgeway Town Clerk
P.O. Box 525
Ridgeway, VA 24148

ANNOTATED LIST

The following is an annotated list of the documents, exhibits, and other materials the County and the City have submitted to the Commission in support of the Agreements:

1. Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion
2. Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre
3. First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre
4. Original Agreement dated September 25, 2007
5. Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restate Revenue Sharing Agreements Between Henry County, the City of Martinsville and Industrial Development Authority of Henry County
6. Joint Submission of Henry County, Virginia and the City of Martinsville, Virginia Providing Information Regarding Commission Review of Restated

Appendix C

JOINT RESOLUTION OF HENRY COUNTY AND THE CITY OF MARTINSVILLE REFERRING THE PROPOSED AMENDED AND RESTATED REVENUE SHARING AGREEMENTS BETWEEN HENRY COUNTY, THE CITY OF MARTINSVILLE AND INDUSTRIAL DEVELOPMENT AUTHORITY OF HENRY COUNTY TO THE COMMISSION ON LOCAL GOVERNMENT FOR REVIEW

WHEREAS, Henry County, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**) have a history of cooperation in promoting regional economic development, including administration of a joint enterprise zone program and mutual support of and cooperation with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**); and

WHEREAS, the EDC is a public-private partnership among County, the City and the Harvest Foundation of the Piedmont with the goals of creating jobs in the City and the County and expanding the tax base in the County and the City, including support and development of local industry; and

WHEREAS, on or about September 25, 2007, the City, the County and the Industrial Development Authority of Henry County, Virginia (**the "IDA"**) entered into a Revenue Sharing Agreement related to two separate industrial and business sites in the County (**the "Original Agreement"**), specifically the subject of the Patriot Centre Agreement (as defined below) and the subject of the Commonwealth Crossing Agreement (as defined below); and

WHEREAS, the City and the County have determined it is appropriate to separate the Original Agreement into two separate agreements, each agreement to relate to its respective industrial and business park property and to modify the Commonwealth Crossing Agreement to provide partial funding to the EDC; and

WHEREAS, the two separate agreements are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**); copies of the Patriot Centre Agreement and the Commonwealth Crossing Agreement, including the First Addendum thereto, are attached to this Resolution; and

WHEREAS, on July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA held a joint meeting and each body voted to approve the Agreements; and

WHEREAS, Code of Virginia §15.2-1301 provides that economic growth sharing agreements such as the Agreements shall be referred to the Virginia Commission on Local Government (**the "Commission"**) for review and the making of findings as to the probable effect of such agreements on the people residing in the area affected by the agreements; and

WHEREAS, 1 VAC50-20-382 requires that referral of such agreements to the Commission shall be accompanied by resolutions, joint or separate, of the governing bodies of the localities that are parties to the proposed agreements requesting that the Commission review the agreement, stating the parties' intention to adopt the agreement, and providing certain information to the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HENRY COUNTY, VIRGINIA AND THE CITY COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA THAT:

1. The County and the City each (a) request that the Commission review the Agreements and issue its findings in accordance with the requirements of Code of Virginia § 15.2-1301 and (b) state their intention to adopt the Agreements in final form subsequent to the Commission's review.
2. The County Administrator, the City Manager and the County's and City's attorneys are authorized and directed to refer the Agreements, together with all necessary data and materials, to the Commission and to take all other actions as may be required to accomplish the Commission's review of the Agreements.
3. The County designates the following individual as the County's contact persons for communications with the Commission regarding the review of the Agreements:

Dale Wagoner, County Administrator. Henry County, Virginia

Physical Address:

3300 Kings Mountain Road
Martinsville, VA 24112

Mailing Address:

P.O. Box 7
Collinsville, VA 24078

Phone: 276-634-4601

Email address: dwagoner@co.henry.va.us

4. The City designates the following individual as the City's contact person for communications with the Commission regarding the review of the Agreement:

Glen Adams, Interim City Manager, City of Martinsville, Virginia

P.O. Box 1112
55 W Church Street, Room 216
Martinsville, VA 24112

Phone: 206-403-5182

Email: gadams@ci.martinsville.va.us

Adopted by the Board of Supervisors of the County this 22nd day of August, 2023.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Henry County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of a Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restated Revenue Sharing Agreements between Henry County, the City of Martinsville and Industrial Development Authority of Henry County, adopted by the Board of Supervisors at a meeting held on August 22, 2023.

Date: August 22, 2023

[SEAL]

Dale Waggoner

Clerk of the Board of Supervisors
Henry County, Virginia

Adopted by the City Council of the City this 22nd day of August, 2023.

CERTIFICATE

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct copy of a Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restated Revenue Sharing Agreements between Henry County, the City of Martinsville and Industrial Development Authority of Henry County, adopted by the City Council at a meeting held on August 22, 2023.

Date: 8/22, 2023

[SEAL]

Haven B Roberts

Clerk of the City Council
City of Martinsville, Virginia



REVENUE SHARING AGREEMENT

This AGREEMENT is made and entered into this 25th day of September, 2007, and executed in quintuplicate originals (each executed copy constituting an original) by and between the **COUNTY OF HENRY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County"), the **CITY OF MARTINSVILLE, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City"), and the **HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Henry County IDA").

WHEREAS, the County and the City have reached this Agreement, pursuant to Virginia Code Section 15.2-1301 (1950), as amended, providing for the sharing of certain revenue between the two localities; and,

WHEREAS, the County and the City have determined that the economic growth and development of the region and the comfort, convenience, and welfare of their citizens require the development of industrial and business facilities; and,

WHEREAS, the County and the City have recognized that regional cooperation in industrial and business development will

increase the opportunities for the localities to achieve a greater degree of economic stability; and,

WHEREAS, the County and the City have agreed that the most appropriate location to commence joint development of sites for industrial and business facilities is an expansion of the County's Patriot Centre and a new industrial park located 220 South, more specific descriptions of said property being attached to, and incorporated into, this agreement as Schedule "A" and "B"; and

WHEREAS, expansion of the Patriot Centre and the 220 South project will be owned by the Henry County IDA; and,

NOW THEREFORE, in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

- 1) The Henry County IDA agrees to use funds transferred to it pursuant to this Agreement to develop the designated sites for industrial and business facilities as directed by the County and the City.
- 2) This Agreement does not obligate the City to expend any of its own funds to support the development of the designated sites; however, payment shall be made after the County is reimbursed for land and infrastructure costs in excess of grant funds and after repayment of any cash incentives that may be paid by the County.
- 3) The parties agree that the County will be responsible for the marketing and the sale of the designated sites.
- 4) The County agrees that when a business locates on one of the designated sites the County will pay to the City one-third of all revenues generated by the real estate, personal property,

machinery and tools, and consumer utility taxes collected by the County from the business located on such site.

- 5) If the County sells more than 5% of the combined acreage to a non-taxpaying entity, the County must obtain the City's approval. While the City will not withhold its approval unreasonably, under certain circumstances the City may condition its approval upon the County compensating the City for the loss of revenues the City otherwise would have received if a taxpaying business had purchased the site.
- 6) The County's obligation to make any payments to the City pursuant to this Agreement shall be subject to the annual appropriation of sufficient funds by the County Board of Supervisors.
- 7) The County shall pay any portion of tax revenues due to the City within sixty days of receipt.
- 8) This Agreement shall be binding upon and inure to the benefit of the County and the City, and each of the future governing bodies of the County and the City, and upon any successor to either the County or the City.
- 9) The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
- 10) The parties acknowledge that this Agreement incorporates all terms and conditions agreed to between them, and further agree that the Agreement may be amended, modified or supplemented, in

whole or in part, by mutual consent of the County and the City, by a written document of equal formality and dignity duly executed by the authorized representatives of the County and the City.

WITNESS the following signatures and seals.

COUNTY OF HENRY, VIRGINIA, a political
Subdivision of the Commonwealth of Virginia

By: H. D. Vaughn
Chairman

ATTEST:

Ben Sumner Clerk

CITY OF MARTINSVILLE, VIRGINIA, a municipal
Corporation of the Commonwealth of Virginia

By: James Russell
Mayor

ATTEST:

Conrad M. Boy Clerk

**HENRY COUNTY INDUSTRIAL DEVELOPMENT
AUTHORITY**, a political subdivision of the
Commonwealth of Virginia

By: W. Tony M. Donna
Chairman

ATTEST:

Benny Samsal Clerk

Approved as to form:

[Signature]
County Attorney

Approved as to form:

[Signature]
City Attorney

SCHEDULE A

Parcel I: All that certain tract or parcel of land situated in the Ridgeway District of Henry County, Virginia, as shown on a Record Plat for Eugene A. Eggleston and Sarah H. Eggleston, dated November 3, 1972, prepared by Marvin E. Scarce, C.L.S., containing 77.82 acres, more or less and being Tax Map #71.7(000)000/014A.

Parcel II: All those certain tracts or parcels of land situated in the Ridgeway District of Henry County, Virginia, as shown on a survey for The Price Estate, dated October 20, 1980, surveyed jointly by Bakkum-Deloach & Assoc and William S. May, Jr, being known as designated on said Plat as follows:

Lots #32, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #43, #46, #47, #48, #49, #50, and #56

SCHEDULE B

A certain parcel of land lying in the Collinsville Magisterial District (formerly known as Martinsville) of Henry County and consisting of 1,206 acres, more or less, all as shown on a "Plat of Survey for Clayton C. Bryant Sr." dated August 9, 2006 and being the same property conveyed to Seller by deed dated May 9, 2006 and of record in the Henry County Circuit Court Clerk's Office as Instrument Number 060003051.

Appendix E

200 Acre Site

Commonwealth Crossing Tract 2



Martinsville
HENRY COUNTY VIRGINIA

Growing Your Business is Our Business.™



- 200 Acre Site with a 150 acre pad
- All utilities to the site (electric, water, sewer, natural gas, fiber)
- Rail Served (Norfolk Southern)
- Located near US-220 South, at the Virginia/North Carolina state line
- 30 minutes to the Greensboro (NC) International Airport and the new FedEx Mid-Atlantic Hub
- Publicly Owned by Henry County

Commonwealth Crossing Tract 2

SITE SPECIFICATIONS

Total Site Acreage:	200 acres
Total Pad Area:	150 pad acres
Location:	Henry County
Enterprise Zone:	Yes
Zoning:	I-1 Industrial
Industrial Park:	Yes
Rail Available:	Yes – served by Norfolk Southern

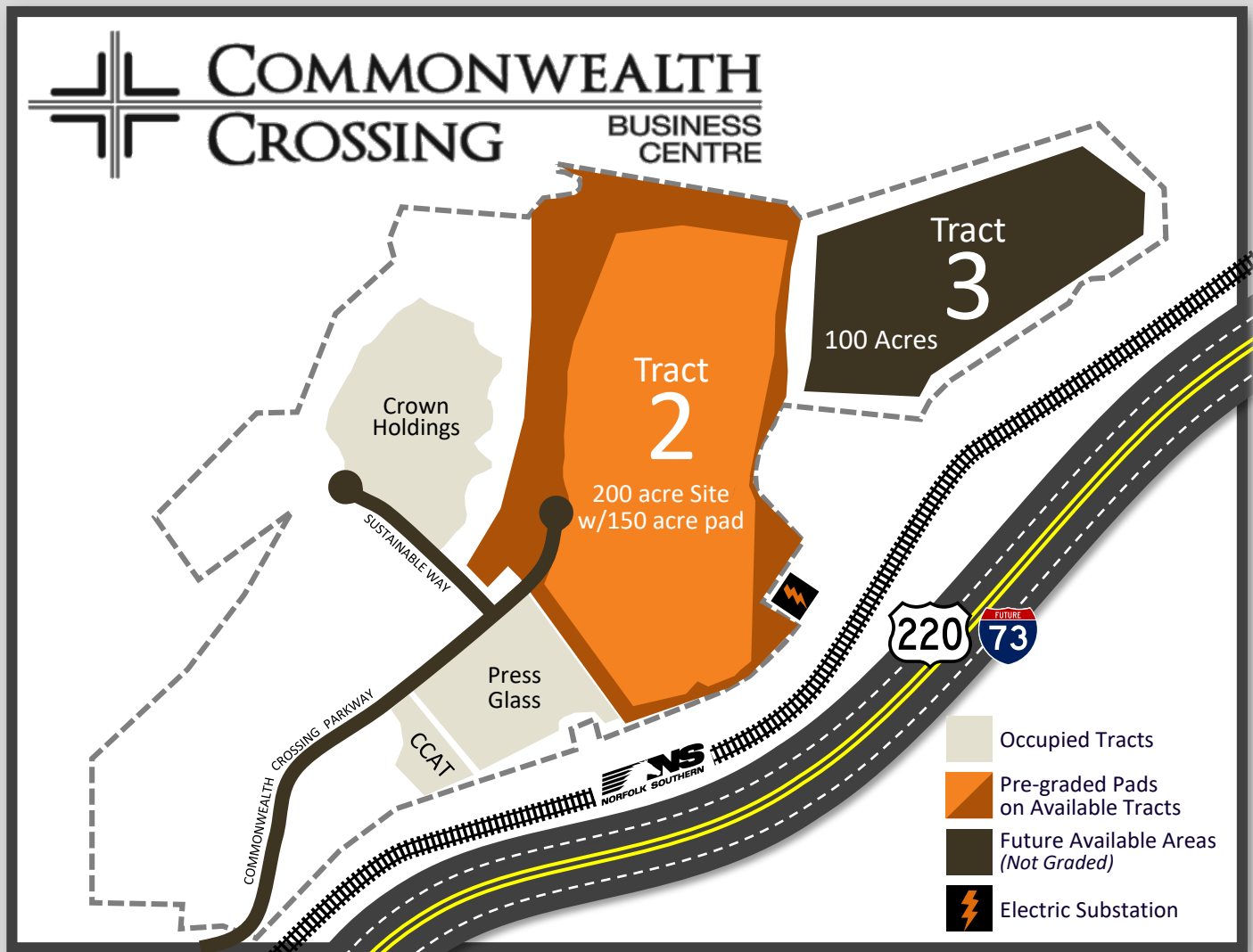
UTILITIES

Water & Waste Water:	Henry County PSA
Electric:	Appalachian Power
Natural Gas:	SW Virginia Gas
Telecom:	Mid Atlantic Broadband

- All Utilities On Site! (Electric, Nat. Gas, Water/Sewer, Fiber)
- Publicly Owned
- Rail Served (Norfolk Southern)
- Adjacent to US Highway 220 (future I-73 corridor)

TRANSPORTATION

To US-220:	¼ mile
To US-58:	6 miles
To Interstate 73:	18 miles
To Interstate 40:	34 miles
To Interstate 85:	45 miles
To Interstate 77:	66 miles
To Interstate 81:	69 miles
To Blue Ridge Regional Airport	11 miles
To Piedmont Triad Int'l Airport:	33 miles



Appendix F

COMMONWEALTH CROSSING BUSINESS CENTRE (CCBC) FUNDING SOURCES

AGENCY NAME	PURPOSE	Date	AMOUNT
M-HC Economic Development Corporation	Land Acquisition (Revenue Sharing over 10 year period)	Oct 2007	\$2,000,000
Henry County	Balance of Land Acquisition (726 acres total)	Oct 2007	\$955,141
M-HC Economic Development Corporation	Master Plan of CCBC	May 2009	\$100,600
Henry County	Wetlands Delineation at CCBC	Jul 2009	\$533,727
Tobacco Commission	CCBC Water/Sewer extension	Jul 2009	\$1,720,000
Small Business Administration	CCBC Water/Sewer extension	Jul 2009	\$800,000
The Harvest Foundation	CCBC Water/Sewer extension match	Jul 2009	\$860,000
Henry County	CCBC Water/Sewer extension match	Jul 2009	\$567,600
City of Martinsville	CCBC Water/Sewer extension match	Jul 2009	\$292,400
Virginia Economic Development Partnership	Major Employment and Investment (MEI) Project Site Planning Grant Program	Nov 2010	\$1,500,000
Tobacco Commission	CCBC Megasite Grant	Nov 2010	\$5,000,000
The Harvest Foundation	CCBC Megasite Grant Match	Nov 2010	\$5,000,000
Henry County	CCBC Megasite Grant Match	Nov 2010	\$3,333,300
City of Martinsville	CCBC Megasite Grant Match	Nov 2010	\$1,666,700
Tobacco Commission	CCBC Megasite Grant - Broadband (MBC) & Power Extensions (AEP)	Nov 2010	\$566,052
Tobacco Commission	CCBC Megasite Grant (Water Tank & Waterline Extension)	Nov 2011	\$2,400,000
Henry County	CCBC Megasite Grant Match (Water Tank & Waterline Extension)	Nov 2011	\$300,000
M-HC Economic Development Corporation	CCBC Megasite Grant Match (Water Tank & Waterline Extension)	Nov 2011	\$130,000
Virginia Economic Development Partnership	Virginia Business Ready Sites Program Grant (Water Tank)	Nov 2011	\$500,000
Tobacco Commission	Special Projects (Megasite) - CCBC Prospects Grant Request	Jan 2014	\$6,500,000
The Harvest Foundation	CCBC Special Projects (Megasite) Grant Match (Project Atlantis/CCAT)	Jan 2014	\$5,000,000
New Markets Tax Credits	Leverage of \$5M CCAT & Water Tank Construction	Dec 2017	\$2,710,000
Appalachian Power (AEP)	Construction of Electric Substation on-site at Commonwealth Crossing	Sep 2019	\$28,000,000
Southwestern Virginia Gas	Construction of Natural Gas lines to serve CCBC	Feb 2021	\$9,000,000
Tobacco Commission	CCBC Tract 5 Grading (Southern Virginia ED Grant)	Sep 2021	\$357,741
Henry County	CCBC Tract 5 Grading Match	Sep 2021	\$357,741
Virginia Economic Development Partnership	Tract 1: Design Plans & Clear Cut Ungraded Portion (VBRSP)	Jan 2022	\$1,036,250
Henry County	CCBC Tract 2 Grading (VBRSP Match - Stream Preservation)	Jan 2023	\$1,890,000
The Harvest Foundation	CCBC Tract 2 Grading (VBRSP Match - Cash)	Jan 2023	\$6,000,000
Virginia Economic Development Partnership	CCBC Tract 2 Grading (VBRSP Grant Award)	Jan 2023	\$22,237,705
GRAND TOTAL			\$111,314,957

COMMONWEALTH CROSSING BUSINESS CENTRE (CCBC) FUNDING SOURCES

AGENCY NAME	AMOUNT
Appalachian Power (AEP)	\$28,000,000
Virginia Economic Development Partnership	\$25,273,955
The Harvest Foundation	\$16,860,000
Tobacco Commission	\$16,543,793
Southwestern Virginia Gas	\$9,000,000
Henry County	\$7,937,509
New Markets Tax Credits	\$2,710,000
M-HC Economic Development Corporation	\$2,230,600
City of Martinsville	\$1,959,100
Small Business Administration	\$800,000
GRAND TOTAL	\$111,314,957

Appendix G



Commonwealth of Virginia *Office of Governor Glenn Youngkin*

FOR IMMEDIATE RELEASE · August 30, 2023

Office of the Governor

Macaulay Porter

Email: Macaulay.Porter@governor.virginia.gov

Virginia Economic Development Partnership

Suzanne Clark

Email: sclark@vedp.org

Press Glass Inc.

Brianna DeHart

Email: brianna.dehart@pressglass.us

Global Glass Fabricator to Expand in Virginia

*Press Glass to expand manufacturing facility in Henry County,
creating 335 new jobs*

RICHMOND, VA – Governor Glenn Youngkin today announced that Press Glass Inc., the largest independent glass fabricator in Europe, will invest \$155.2 million to expand at the Commonwealth Crossing Industrial Park in Henry County. The company will construct a 360,000-square-foot addition to its existing facility to expand its U.S. presence and manufacture glass for the commercial construction industry. The project will create 335 new jobs.

“With this expansion, Press Glass will make the largest single capital investment by a business in Henry County’s history,” **said Governor Glenn Youngkin.** “The addition of 335 new jobs, more than doubling the company’s head count, helps this region continue its economic rebound and demonstrates the resurgence of manufacturing that is happening across the Commonwealth.”

“Southern Virginia’s workforce possesses the skills and work ethic to benefit manufacturers, and we are proud Press Glass continues to thrive and reinvest in its operation at Commonwealth Crossing Industrial Park,” **said Secretary of Commerce and Trade Caren Merrick**. “With premier sites and a state-of-the-art training facility, Martinsville-Henry County has a recipe for success and continues to successfully compete for projects and diversify its economy.”

“Our clients have trusted us and recognized the high quality of Press Glass products, so the expansion of the factory in Ridgeway is a natural step to increase the availability of our offerings and strengthen our position in the American market,” **said Maciej Migalski, President, Press Glass Inc.** “After the expansion, the Ridgeway plant will be one of the largest and most automated facilities processing architectural glass in the USA. At the same time, we will create new, valuable job opportunities. We express our gratitude to the local leadership for their invaluable support.”

“Press Glass’ decision to expand its manufacturing facility in Commonwealth Crossing speaks not only to the strength of Press Glass’ position in their industry but also to the decision local (elected) officials made 15 years ago to invest in a modern industrial park that would be attractive to growth companies like Press Glass,” **said James McClain, Chair, Martinsville-Henry County EDC**. “The EDC is grateful to Press Glass for their continued confidence and investment in Martinsville-Henry County.”

“The decision of Press Glass to invest and grow in our County is a resounding vote of confidence in our talented workforce, robust infrastructure, and supportive manufacturing environment,” **said Jim Adams, Henry County Board of Supervisors Chairman**. “Not only does this expansion bring prosperity to our local economy, it also reflects the potential and attractiveness of our community for global business.”

“Southside Virginia has the people, resources, and infrastructure for manufacturers to thrive,” **said Rep. Morgan Griffith**. “I applaud Press Glass’ decision to expand their U.S. manufacturing presence in Henry County, bringing 335 new jobs to the region. This investment is great news for our economy, and I look forward to the facility’s completion in the near future.”

“I am thrilled that Press Glass has committed to expanding their footprint in Henry County. This is a major win not only for our state, but also for Southside Virginia,” **said Senator William M. Stanley**. “This new investment will create hundreds of good-paying jobs and further strengthen our economy. I am committed to working with Governor Youngkin and our partners to continue attracting new businesses to Virginia and encouraging current businesses to stay and expand in our beautiful Commonwealth.”

“Press Glass’s announcement of a new \$155 million investment and 335 new jobs is fantastic news for our region,” **said Delegate Wren Williams**. “I want to congratulate Press Glass and our friends in Martinsville and Henry County who worked so hard to make this happen. We will keep advocating for more companies to re-shore American manufacturing to Southside and Southwest Virginia, where we have some of the best workforce, infrastructure, and opportunity available.”

Headquartered in Konopiska, Poland, Press Glass was founded in 1991 and has 15 factories in Europe and the U.S. As the largest independent flat glass processing operation in Europe, the company processes glass for fabricators of windows and doors, facades and interior glass constructions. The company opened its Henry County facility in 2020 and employs more than

300 individuals.

The Virginia Economic Development Partnership worked with the Martinsville-Henry County Economic Development Corporation to secure the project for Virginia. Governor Youngkin approved a \$2 million grant from the Commonwealth's Opportunity Fund to assist Henry County with the project. Funding and services to support the company's employee training activities will be provided through the Virginia Jobs Investment Program.

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