

VIRGINIA'S EXPLORE PARK  
REPORT TO  
THE GOVERNOR &  
GENERAL ASSEMBLY  
COMMONWEALTH OF VIRGINIA

DECEMBER 2010



Presented by:  
The Virginia Recreational Facilities Authority  
The Hon. Alfred C. Anderson, Chairman  
December 31, 2010

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## **EXECUTIVE SUMMARY**

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The Virginia Recreational Facilities Authority (“VRFA”), a political subdivision of the Commonwealth of Virginia created by the Virginia General Assembly in 1986, is responsible for the operation of Virginia’s Explore Park, an 1,100-acre facility in Roanoke and Bedford counties – 700 acres in Roanoke County and 400 in Bedford County – adjacent to the Blue Ridge Parkway and bisected by the Roanoke River. Virginia’s Explore Park operated as an outdoor living history museum and recreation park from 1994 to 2007, when it was closed in anticipation of a lease agreement with a developer. The current economic climate precluded execution of this agreement and the VRFA has created an alternate plan for development, which is the purpose of this document.

In addition to its acres of rolling hills, deep ravines, and pastoral meadows so typical of the Ridge and Valley Region of Virginia, Explore Park has developed water and septic systems to serve the public and constructed or reassembled over 20 historic and modern facilities. A 1.5-mile spur road connects the Park to the Blue Ridge Parkway. State roads leading into the service entrance to the Park were upgraded in the early 1990s. The Park property also includes internal road systems and trails. The total public and private investment to date is almost \$52,000,000.

Having this extensive infrastructure in place provides the framework for future development and creative public-private partnerships. It also sets the stage to welcome new venues that may very well become Explore Park’s formula for success by adding significant value to Explore Park as an investment decision and as an attraction focused on driving economic and tourism development in the region.

The Virginia Recreational Facilities Authority is motivated to make Explore Park a success and accepts the challenge to move it forward to serve the needs of citizens and the visiting public. The seeds for the development of a major attraction have been planted at Virginia’s Explore Park and now it’s time to move along to the next phase, where the potential for self-sustainability may be realized. The Virginia Recreational Facilities Authority is seeking to solidify its partnership with the Commonwealth of Virginia to take Virginia’s Explore Park to the next level—a level that ensures success as a visitor destination, protects the Park’s investors, and contributes importantly to the economic health of this region.

In the present economic environment, we do not believe that an exclusively private or public sector management model is feasible or realistic if the Park is to be operated for expanded public recreational purposes. The public and private investments made in the Park, and the assets conserved in the Park, will be best managed by those closest to the Park itself. We believe the Commonwealth of Virginia should be a partner in this project; no one assumes, however, that the Commonwealth is ready to step in and fund development and operation of a full-service Park.

The new vision for Explore Park is to be a leader in providing outdoor recreation opportunities, stewardship of this region’s heritage, and advocacy for environmental

conservation for the enjoyment, education, and inspiration of present and future generations. Virginia's Explore Park will be the region's first choice for unique and memorable meeting and social event facilities, lodging, premier recreation venues and events, and inspiring educational programs.

The VRFA will gradually phase in programs and services based on a sound business model approach, the success of each phase, and available resources and opportunities. By capitalizing on specialized programming and unique outdoor recreational opportunities, the VRFA will position the Park to maximize its natural setting.

The VRFA is poised and ready to reinvent Virginia's Explore Park by creating a new way of doing business, focusing on the assets already created and expanding private business opportunities to develop new amenities, programs, and services. The goal is to create business opportunities for individuals, developers, and businesses to utilize existing facilities or develop new venues while generating lease or percentage fee revenue to operate the Park. The VRFA will chart the future of Explore Park by determining what public-private partnerships we engage in the future.

The Park that is developed will protect the natural and historical assets of the site while remaining a positive investment opportunity for the private sector. The private sector's investments in the Park must fit within an overall Park master plan that ensures a high-quality visitor experience that is authentic to the region and the Blue Ridge Parkway.

The VRFA will use the leasing process, Requests for Proposals, and the PPEA process to seek out concessionaires, developers, and outfitters who will pay a lease and/or a percentage of gross revenue for the venues and opportunities created.

The potential for future growth at Virginia's Explore Park is limited only by the imagination and the resources available to take the Park to its next level of development. The infrastructure is in place and the Virginia Recreational Facilities Authority Board of Directors is ready to begin.

The Virginia Recreational Facilities Authority respectfully requests that the Commonwealth of Virginia endorse, encourage, and support our dedication, motivation, and passion for continuing to operate and make Virginia's Explore Park a success for our citizens and tourists and an economic driver for western Virginia and the Commonwealth.

Virginia's Explore Park is a true asset of the Commonwealth of Virginia that should be afforded a degree of protection by the government that breathed life into it almost 24 years ago. The Park's stakeholders also need to have an active role in its management. **For these reasons, the Virginia Recreational Facilities Authority asks the Commonwealth's consideration of the following (listed in more detail on page 37):**

1. Recognize that the Virginia Recreational Facilities Authority has operated and continues to operate Virginia's Explore Park in accordance with the Code of Virginia, to the extent that no further legislative extensions of the "reversion" clause of § 10.1-1618 should be necessary.
2. Give Roanoke County, Explore Park's largest local government investor, voting representation on the Virginia Recreational Facilities Authority Board of Directors based on its financial participation and in-kind support.
3. Move Virginia's Explore Park from the non-state agency status to a line item in the Department of Conservation and Recreation's budget to remove Explore Park from the instability of non-state agency status.
4. Consider investing in capital development venues and revenue-producing programs at Virginia's Explore Park.
5. Allow Virginia departments to assist in creating and soliciting proposals for development of public/private projects and provide technical assistance for project development.

## INTRODUCTION

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In 2005, the Virginia Recreational Facilities Authority was presented with the opportunity to create a major tourist destination in western Virginia through a public-private partnership with Virginia Living Histories (VLH). VLH was to develop a major family-oriented vacation destination at Explore Park while continuing to honor the original intent and mission of the Park as established in the Code of Virginia, Title 10.1, Chapter 16. The agreement spelled out a 99-year lease of the Park requiring a minimum of \$90 million dollars in development in the first three years. Early estimates indicated that up to \$200 million would actually be invested. The lease option allowed VLH a three to five year inspection period before making a commitment to commence construction. The VRFA Board of Directors, The River Foundation (the VRFA's private partner), staff, and other interested parties were optimistic that VLH would exercise the lease option by the end of the three-year study period in June 2008.

With declining revenues from the private sector and government agencies and future funding looking less promising, the VRFA realized in 2007 that it did not have adequate funding to **fully** operate the Park beyond the fiscal year ending June 30, 2008. Confident that VLH would proceed, the VRFA chose to shut down the staff-intensive parts of the Park in an organized and responsible manner when the Park closed at the end of the 2007 season instead of waiting until June 30, 2008, when an immediate mid-season shutdown may become necessary so that VLH could proceed with development. The Park completed the process of transitioning to an intermediate, dormant state, including securing and protecting the Park's historic buildings and artifacts on June 30, 2008. Starting July 1, 2008, Explore Park still provided and continues to provide public recreational access to mountain bike and hiking trails, river access for fishing and boating, venues for special events, and through its partnership with the Blue Ridge Parkway and Roanoke County, operates the Blue Ridge Parkway Visitor Center.

After July 2008, VLH requested two one-year extensions to wait out the recession that had deeply impacted the capital markets. Realizing the lease option may be in trouble, the VRFA put together an economic development consortium of Park stakeholders in the summer of 2009 to come up with an alternative plan for development, or "Plan B."

This effort was further formalized during the 2010 legislative session when Senator Ralph Smith introduced Senate Bill 502 and Delegate Bill Cleaveland introduced complementary bill HB 774 delaying until July 1, 2011, the reversion of title to real property from the Virginia Recreational Facilities Authority to the Commonwealth, in the event that the Authority ceases to operate. Local legislators and the VRFA were concerned that a partial closure of sections of the Park might trigger the reversion clause stated in its enabling legislation and, as a precautionary measure, requested extension bills in the General Assembly while the lease option was active. (NOTE: Although this legislation is understandable while the VRFA was under contract with VLH, its necessity in the future is questioned because the VRFA has shown it is committed to providing the public with recreation access and tourist services and is now planning for the future with the proposal contained in this report.) The bill further requires that the Virginia Recreational Facilities Authority and Roanoke County work with other stakeholders to

develop an alternate plan for the appropriate utilization and management of the property. The plan is to be consistent with the mission of Explore Park and include conservation, outdoor recreation, environmental awareness, and public access and utilization of the property. The plan is also to provide ways for the Park to become financially independent and sent to the Commonwealth by the end of calendar year, 2010.

Due to the current deep recession, Virginia Living Histories was never able to secure funds from the capital markets. The lease option expired in June 2010.

This report details the history and a vision for the future of Virginia's Explore Park with extensive research and input by the Park's Economic Development Consortium in partnership with the VRFA Board of Directors. It is respectfully submitted by the Virginia Recreational Facilities Authority Board of Directors to Governor Bob McDonnell and the Virginia General Assembly as required by SB 502 and HB 774.

## HISTORY AND BACKGROUND: A LOOK BACK

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*The Hofauger House, a historical farmhouse (circa 1837), was reconstructed in 1991 at Virginia's Explore Park.*

In 1985, a group of Roanoke Valley-based community and business leaders formed The River Foundation (the “Foundation”), a Virginia non-stock, non-profit corporation to create an attraction “for the use, enjoyment, recreation, and benefit of all residents in and visitors to the Roanoke Valley” and the Blue Ridge Parkway. The vision was to create an anchor attraction that would serve as the hub for tourism in the western part of the Commonwealth, causing travelers to stop in our area, enjoy our attractions, eat in our restaurants, and sleep in our hotels.

On July 1, 1986, the Virginia General Assembly created the Virginia Recreational Facilities Authority (the “VRFA”), a political subdivision of the Commonwealth of Virginia, in order to:

- (i) provide a high quality recreational attraction in the western part of the Commonwealth;
- (ii) expand the historical knowledge of adults and children;
- (iii) promote tourism and economic development in the Commonwealth;
- (iv) set aside and conserve scenic and natural areas along the Roanoke River and preserve open-space lands; and
- (v) enhance and expand research and educational programs.

On that same day, a unique partnership between The River Foundation, the founders of the Explore Park concept, and the Virginia Recreational Facilities Authority, a special purpose unit of government created specifically to develop and nurture Explore Park, was born.

Two years later, the General Assembly appropriated \$6 million to the VRFA to purchase the lands necessary to begin development of Virginia’s Explore Park. The Explore Park concept began to take shape as property in Roanoke and Bedford Counties was procured and unique regional historic structures were disassembled and prepared for reconstruction on the new Explore Park site. That process began in earnest on September 10, 1991, when ground was broken for the 1837 Hofauger House, the Park’s first historic reconstruction project.

Today, Virginia’s Explore Park owns a total of 1,100 acres bisected by the Roanoke River adjacent to the Blue Ridge Parkway and over 20 historic and modern facilities. Of the 1,100 acres 700 are located in Roanoke County and 400 in Bedford County. All development has taken place on property located in the Mayflower Hills section of southeast Roanoke County.

## **PUBLIC AND PRIVATE INVESTMENTS**

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Virginia’s Explore Park has been fortunate to have considerable support from the public and private sectors since The River Foundation was created in 1985. The chart below shows the estimated level of support from each sector, from July 2, 1985 to June 2008.

Federal Investment <sup>1</sup>		\$13,693,500
State Investment <sup>2</sup>		\$17,010,288
Community Investment <sup>3</sup>		
Local Governments	7,352,845	
Private Sources	12,269,205	
In-kind Gifts <sup>4</sup>	1,500,000	
Total Community Investment		\$21,122,050
Total Investment to Date		\$51,825,838

<sup>1</sup> Figure includes \$12,474,500 appropriation for Roanoke River Parkway study and construction and \$850,000 appropriation for the Blue Ridge Parkway Visitor Center construction. This also includes \$369,000 for design and fabrication of the Blue Ridge Parkway Visitor Center exhibit galleries.

<sup>2</sup> Figure includes \$6,000,000 appropriation for property acquisition, \$3,000,000 appropriation for Roanoke River Parkway construction, and all appropriations received to date and scheduled for receipt through the 2008 fiscal year, which were matched dollar-for-dollar by monies from other sources.

<sup>3</sup> Figure includes \$300,000 appropriation from Roanoke County for the Blue Ridge Parkway Visitor Center construction and all local government appropriations received to date and scheduled for receipt through 2008 fiscal year, including operation of the Blue Ridge Parkway Visitor Center with funding from Roanoke County.

<sup>4</sup> Based on a conservative estimate of in-kind gifts and services received.

## EXPLORE NOW

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Virginia's Explore Park opened to the public on July 2, 1994, after nine years of planning and development with 1,100 acres of land containing two 2 miles of river frontage on the Roanoke River. One day before, on July 1, The River Foundation handed over operation of Explore Park to the Virginia Recreational Facilities Authority. The River Foundation assumed responsibility for capital fundraising, limited unrestricted fundraising, and long-range planning.

In 1994, visitors accessed the Park via a narrow county road and paid for admission and were admitted at a modest ticket booth. Once in the Park, they could visit the Hofauger House, the 1850 Wray Barn, the 1790 Houtz Barn, the 1850 Kemp's Ford School as well as a replica blacksmith's shop. Native American and frontier life encampments were close by. Rough hiking trails were in place. The retail store, which sold souvenirs and some food items, was small and without electricity. Restrooms were port-a-johns.

Explore Park has continued to grow since 1994. The sites listed below were open from 1994 until the end of the season on 2007; a few remain open. All but those indicated were built using private funds.



1880 Mountain Union Church



1790 Brugh Tavern

- **Mountain Union Church**, an 1880 Botetourt County original, was dedicated and opened on April 19, 1998, and it served as a favorite place for small, intimate weddings. Community investment=\$239,000
- **Roanoke River Parkway** (*pictured on the front cover*), a 1.5-mile direct link to the Blue Ridge Parkway, was dedicated and opened to the public on May 4, 1998. The Roanoke River Parkway was funded by a \$12.5 million federal appropriation and a \$3 million state appropriation. Partnership investment=\$15.5 million
- Historic **Brugh Tavern** restaurant was dedicated and opened on April 28, 1998, as an upscale, historic-ambience restaurant. The Tavern was originally located near the Great Wagon Road in Botetourt County. Community investment=\$1.4 million



*Arthur Taubman Welcome Center*



*Mountain Bike Trails remain open today*

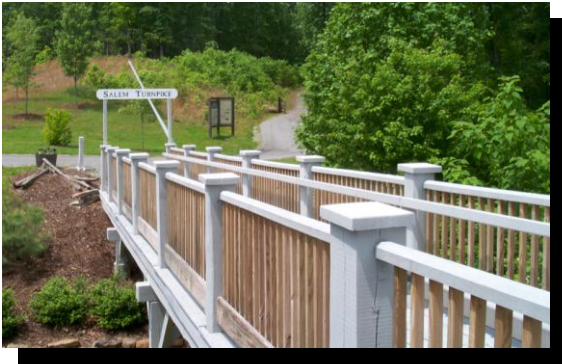


*Roanoke Explorer Batteau*



*Blue Ridge Parkway Visitor Center remains open today*

- **Arthur Taubman Welcome Center** was dedicated and opened on May 6, 1998, to serve as the gateway to Virginia’s Explore Park. The Arthur Taubman Welcome Center is named after the founder of Advance Auto Parts. Community investment=\$845,000
- First three miles of **mountain bike trails** were opened on June 14, 1998. Today, there are nine miles of mountain bike trails that are rated easy, intermediate, and difficult and are built to International Mountain Bicycling Association (IMBA) standards thanks to the investment of many thousands of volunteer hours. Community investment=\$15,000
- **Roanoke Explorer batteau** was dedicated and opened at a public ceremony on August 24, 1999. The batteau site was the only one of its kind in Virginia and highlighted commerce in the mid-19<sup>th</sup> century before rail transport as well as the life of the freed African American slave, many who were batteau operators. Community investment=\$75,000
- **Blue Ridge Parkway Visitor Center** was dedicated and opened on May 7, 2001. The Visitor Center is a collaborative effort between the National Park Service, Roanoke County, and Virginia’s Explore Park. The Visitor Center serves as the gateway to the Blue Ridge Parkway and educates visitors about the Parkway and the communities along its 469-mile corridor through interpretive exhibits. Partnership investment=\$1.3 million



*The Salem Turnpike, where park visitors began their time-traveling journey into Virginia's past.*



*Replica 1671 Toter Village*



*1890 Slone's Grist Mill*



*1750 Frontier Fort*

- **Salem Turnpike**, a 1.8-mile perimeter road around Explore Park's Historic Areas, was dedicated and opened on May 17, 2002. The Turnpike was underwritten by the City of Salem. Community investment=\$75,000

- **Totero Village** was dedicated and opened on June 22, 2002, in a traditional Native American ceremony. The new village contained four houses, work shelters, hide-tanning area, and garden built using volunteer labor and direction from the area coordinator. The village was enlarged to include seven houses in 2005. Community investment=\$35,000

- **Slone's Grist Mill**, a 19<sup>th</sup> century fully functional mill relocated from Franklin County to Virginia's Explore Park, was dedicated and opened on September 20, 2002. Community investment=\$330,000.

- **Frontier Fort**, Construction of this fort was started in 2003 and completed in 2004. The fort project was built by staff and volunteers from logs harvested from Explore Park property. The reconstructed fort is based on Ephraim Vause's fort along the upper Roanoke River in the present town of Shawsville, VA. Community investment= \$5,000.

## **STRATEGIC PLANNING PROCESS**

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Virginia's Explore Park was effectively managed and developed through a cooperation agreement between two governing boards of directors, with three crossover board members to insure continuity of purpose.

The River Foundation nurtured the Explore Park concept in the early years before it opened to the public. During that same time, from 1985 to 1994, the VRFA—a Board of 13 members appointed by the governor—was responsible for land management and issues relating to real estate purchased with the Commonwealth's \$6 million appropriation. (Note: Today the Board consists of 19 members with 13 appointed by the Governor and six – two senators and four delegates – appointed by the General Assembly.)

On July 1, 1994, The River Foundation transferred the day-to-day operations of Virginia's Explore Park to the Virginia Recreational Facilities Authority. The River Foundation assumed the role of fundraiser for capital projects as well as providing some unrestricted funds for Park operations. The evidence of their efforts is reflected in the remarkable growth in tourist service facilities and the Historic Areas.

In the winter of 2001, Virginia's Explore Park received word that it and other nonstate agencies would receive no funds from the Commonwealth of Virginia during fiscal year 2002. This news was devastating. Virginia's Explore Park is the only nonstate agency in the Commonwealth that is also a political subdivision of the Commonwealth of Virginia with its own code in state government. This asset of the Commonwealth of Virginia was about to be abandoned by one of its chief investors and would be forced to close due to insufficient funds. The investments of many would be lost.

The news of the Park's potential closing was disturbing to Roanoke County and the National Park Service. Blue Ridge Parkway management expressed concern about the potential closing to the state legislators. The staff and management of both Explore Park and Roanoke County met to come up with a suitable arrangement to work together, with the County providing a level of needed funds and services. In turn, Explore Park could remain open and continue to serve visitors. On July 24, 2001, the VRFA and The River Foundation entered into a five-year funding and cooperation agreement with Roanoke County, further strengthening an already healthy public-private partnership bond. Explore Park continued with its normal operations, although annual funding from public and private sectors remained a challenge.

In June 2005, to spur economic development and to meet its original mission to provide a high-quality recreational attraction in the western part of the Commonwealth, the Virginia Recreational Facilities Authority entered into a three-year lease option agreement with Virginia Living Histories. The lease included the provision that up to two one-year extensions would be granted, if necessary. Virginia Living Histories was headed by Larry Vander Maten, a Florida-based developer who was interested in creating a family destination attraction on Explore Park property. Although the option

required a minimum investment of \$90 million, the developer estimated that his investment would be closer to \$200 million to create a unique combination of hotels, cabins, camping, recreation amenities, entertainment venues, and retail shops. The VRFA Board of Directors, The River Foundation, staff, and other stakeholders were optimistic that Virginia Living Histories would exercise the lease option in June 2008 at the end of the three-year study period, but because of the downturn in the economy Virginia Living Histories requested a one-year extension to continue work to obtain funding for the project.

The downturn in the economy also had a direct impact on Explore Park's ability to fund its operations. Private donations and government funding were more difficult to obtain and the existing staff-intensive operating model was simply too costly to maintain in the then-current fundraising environment.

After a particularly disappointing fundraising season, the VRFA realized it did not have adequate funding to **fully** operate the Park beyond fiscal year-end June 30, 2008: it also did not have funds in place to close the Park in a responsible fashion after June 30, 2008, if operations were to continue through that date. However, the Park had the manpower and budget to adequately transition the Park to an intermediate, dormant state, including securing and protecting the Park's historic buildings and artifacts. This approach also gave Explore Park staff time to find jobs suitable to their interests. Roanoke County worked with the existing staff to find appropriate positions in the county. With the Park closing many of its programs and services and the pending lease option with VLH, the River Foundation went into a non-active state and has since dissolved.

While the staff-intensive areas have been shuttered, Explore Park continues some operations. Since July 2008, while waiting for Virginia Living Histories to activate the lease option, Explore Park has maintained public recreational access to mountain bike and hiking trails, river access for fishing and boating, venues for special events, and through its partnership with the Blue Ridge Parkway and Roanoke County, has continued operation of the Blue Ridge Parkway Visitor Center.

In June 2009, Virginia Living Histories requested and was granted another one-year extension of the option to June 2010, again due to the extreme downturn in the economy and the lack of available financing for large projects. This was the second and final one-year extension allowed by the lease agreement.

In June 2010, Virginia Living Histories requested a third one-year extension of the lease agreement to continue to pursue financing for the project. The VRFA and VLH negotiated diligently but could not reach an agreement. The VRFA Board of Directors and Virginia Living Histories were optimistic that the \$200 million project would move forward. However, continuing uncertainties in the general financial markets at that time made financing for recreational project development such as VLH's impossible. An agreement to continue the relationship was unsuccessful and the option expired.

The VRFA believed that the VLH project would have created a major tourist destination for western Virginia and become an economic driver for the region through tourism and job creation. When concerns about the financial markets continued into the summer of 2009, the VRFA appointed an economic development consortium to create alternative plans for Park use in case VLH was unable to proceed.

The Economic Development Consortium – which included National Park Service representatives, planning and economic development professionals, citizens, and recreational professionals representing stakeholders in the Park – was assembled to conduct a thorough analysis of Explore Park’s options moving forward and develop recommendations to present to the VRFA Board of Directors for their consideration. The Consortium’s work is substantially complete. It is important to note that there have been 12 meetings (including field reviews), 1,300 man hours, and formal presentations by some of the best professionals in their field. Their recommendations presented a conceptual master plan for the Park and a bevy of options that members of the Consortium believe will provide an achievable path to the Park’s future and sustainable operations.

#### Members of the Consortium:

- Pete Haislip, Roanoke County Director Parks, Recreation, & Tourism
- Doug Chittum, Roanoke County Director Economic Development
- Philip Thompson, Roanoke County Deputy Director of Planning
- Mary Zirkle, Bedford County Chief of Planning
- Annie Pollard, Bedford County Board of Supervisors – District 6
- Chris Lawrence, Vinton Town Manager
- Christopher Chittum, Roanoke City Planning Administrator
- Michael Burnette, Franklin County Director of Commerce & Leisure Services
- Tori Williams, Roanoke Regional Chamber of Commerce Assistant VP of Public Policy
- Josh Gilbert, Mountain Junkies LLC Owner
- Pete Eshelman, Roanoke Regional Partnership Director of Outdoor Branding
- Monika Mayr, Blue Ridge Parkway Deputy Superintendent
- Gary W. Johnson, Blue Ridge Parkway Chief of Resource Planning Division
- Wanda Reed, Government Liaison Mayflower Hills Civic League
- Al Hammond, Braeloch & Boxtree Lodge Owner
- Ed Hacker, Roanoke Valley Resource Authority Environmental & Safety Manager

The Consortium and the VRFA Board share the following observations and principles:

1. Explore Park has immeasurable value to the greater Roanoke region. The geographic, natural, recreational, and constructed educational and historical assets in the Park are unique and deserving of conservation and enhancement. The Park's assets have an important role to play in the future of the Roanoke Region.
2. Explore Park’s assets are of such quality that an economically feasible model for operation, development, and enhancement is possible. In the present economic

environment, we do not believe that exclusively private or public sector management models are feasible or realistic if the Park is to be operated for expanded public recreational purposes.

3. The public and private investments made in the Park, and the assets conserved in the Park, will be best managed by those closest to the Park itself. In other words, a local Park development and management model is in the best interest of the Park and its long-term viability. *We believe that the Commonwealth of Virginia should be a partner in this project; no one assumes, however, that the Commonwealth is ready to step in and fund development and operation of a full-service Park.*

4. Partial development of some of the elements proposed in the Virginia Living Histories plan (e.g., cabins, campgrounds, river access trails, event/meeting center) may be possible to construct and operate within a short time frame. These elements may be constructed and operated in such a way that would produce operating capital for the Park. A full Park planning and fiscal analysis/pro-forma will need to be completed for these elements. The key is to develop scalable facilities that fit within a new site master plan and to develop facilities with proven consumer demand.

7. A local effort, the “Plan B,” must be credible both financially and with respect to the mission of the VRFA and the assets and public trust it holds.

8. A new operational model will be developed for the Park. Neither the public nor private sector can carry this project individually. We envision a public-private partnership for the facility that would permit phased development of assets (both public and private) within the Park. This “third way” approach may allow the private sector to minimize its initial capital outlay investments while providing a positive revenue stream for operation and maintenance of the existing public and private investments in the site. All of this should be done with local governments, businesses, and leadership groups guiding the way.

9. The new concept/master plan will contain extensive economic modeling for operational costs, visitation, and management. The Park that is developed must protect the natural and historical assets of the site while remaining a positive investment opportunity for the private sector. The private sector's investments in the Park must fit within an overall Park master plan that ensures a high-quality visitor experience that is authentic to the region and the Blue Ridge Parkway.

10. The VRFA Board of Directors will consider requesting that the consortium continue to serve as an *advisory group* to the Board as we move forward to develop and implement plans for the future of Explore Park.

11. The VRFA benefited from the proposed lease with Virginia Living Histories and plans to utilize what it has learned as it moves forward. Some of the benefits are:

- Virginia Living Histories validated that Explore Park’s assets are of such high value that they attracted a major private developer interested in investing \$200

million in our region to create future jobs and increase tourism dollars for the region.

- Under the lease terms, if the project did not move forward VLH would provide the VRFA with all of the non-proprietary marketing studies contracted by VLH. The VRFA could not afford the quality comprehensive marketing studies undertaken by VLH; they will become meaningful planning tools for future endeavors.
- Through VLH's efforts, both Roanoke County's and Bedford County's Explore Park zoning ordinances were updated to allow for a greater number of uses of the property and now actually mirror one another. This gives the VRFA more flexibility in future development opportunities.
- Also through VLH's efforts, leases were approved with Norfolk Southern for access over the railroad track to the Bedford County side of the Park, the Roanoke Valley Resource Authority to use land beside the Roanoke River Parkway, and the National Park Service to allow the removal of snow to improve access to the Park in the winter months. Although these leases were specifically approved between those entities and VLH, renegotiation with the VRFA could be possible for future endeavors and opportunities.
- Energized the VRFA to examine how it does business, to re-evaluate how it will operate in the future, and to broaden its scope.
- It raised public awareness of Virginia's Explore Park and ignited a spark of interest in keeping Explore Park available to local residents and under local control.

The Virginia Recreational Facilities Authority is motivated to make Explore a success and accepts the challenge to move it forward to serve the needs of citizens and tourists in our region. The current members of the Board of Directors are:

- The Honorable Alfred C. Anderson
- Mrs. Trixie L. Averill
- Mr. K.C. Bratton
- The Honorable William H. Cleaveland
- The Honorable Carolyn D. Fidler
- Gregory D. Habeeb, Esq.
- Elmer C. Hodge, Jr.
- Mrs. Jane Sullivan Horne
- Mr. David A. Hurt
- Mr. Mark S. Lawrence
- The Honorable James W. Morefield
- The Honorable Stephen D. Newman
- The Honorable David A. Nutter

- The Honorable Mark D. Obenshain
- Mr. John C. Renick
- Mr. Claude Reynolds
- Mr. William H. Tanger
- Peter D. Vieth, Esq.
- The Honorable Onzlee Ware

Advisory members:

- Mr. Thomas S. “Pete” Haislip, Director Roanoke County Parks, Recreation & Tourism
- Mrs. Diane D. Hyatt, Assistant Roanoke County Administrator
- Mr. Sergei Troubetzkoy, Director Bedford Tourism

Support staff:

- Mr. Brian Carter, Roanoke County Department of Finance
- Gregory J. Haley, Esq., VRFA Counsel
- Ms. Penny K. Lloyd, VRFA Recording Secretary (from Roanoke County Public Information Office)
- Ms. Deborah H. Pitts, VRFA Executive Director, Management & Consulting Services

The VRFA extends a special thank you to outgoing Board members Barry W. Baird and Barbara “Bootie” B. Chewning for their support of Explore Park and hard work in the development of this plan.

The Board has created new bylaws and organized its members to proactively manage the Park and its future by creating the following subcommittees:

- The Executive Committee consists of the Board Chair, Vice Chair, Secretary, the chairs of standing committees and two other Board members. This Committee sees to the routine daily operations of the Authority and Board business. The authority of the committee is limited to such activities approved by the Board in advance and allowed under state regulations and policy. The Executive Committee reports at each regular meeting of the Board all actions that the Executive Committee has taken on behalf of the Board.
- The Finance Committee consists of three or more members. This committee is responsible for reviewing financial reports and developing a budget.
- The Buildings and Grounds Committee consists of three or more members. This committee is responsible for monitoring Park property and overseeing the staff and volunteers who help maintain the Park’s physical plant.

- The Governance Committee consists of three or more members. This committee is responsible for securing annual financial disclosure statements, establishing bylaws, Board officer elections, and Board member term renewals.

The seeds for the development of a major attraction have been planted at Virginia's Explore Park and after the lease option delay it is time to move along to the next phase, where the potential for self-sustainability may be realized. The Virginia Recreational Facilities Authority is seeking to solidify its partnership with the Commonwealth of Virginia to take Virginia's Explore Park to the next level—a level that ensures success as a visitor destination; protects the Park's investors, including the Commonwealth's investment; and contributes importantly to the economic health of this region.

The VRFA is prepared to invest the time and energy to develop a new conceptual master plan for the site and a realistic operational model. This is an involved process that will require significant time and resources to complete, but a project worth the effort for the citizens and tourists of western Virginia and the Commonwealth of Virginia.

## **CURRENT PROGRAMS & SERVICES**

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Since its inception, the Boards of Directors and staff of Virginia's Explore Park have worked tirelessly to fulfill its mission, as set forth in the Code of Virginia. Even after a number of sites were shuttered at the end of 2007 in anticipation of the Virginia Living Histories lease option, Explore Park has continued to offer a number of recreational and learning opportunities on its sites through partnerships, volunteers, a contractual manager, and Board efforts. Here are the programs and opportunities currently offered at Explore Park:

**Mountain Bike Trails:** The Park is fortunate to have a group of professionals volunteer to maintain and host events on the nine miles of IMBA-sanctioned Mountain Bike trails. The agreement with Mountain Junkies LLC has been in place for the last three years and the Park has cultivated a wonderful relationship with bike enthusiasts throughout the region. The Park's trails are ranked #2 on the Blue Ridge Parkway after Dupont State Park in NC.

**American Forester's Trail:** This ¾-mile trail interprets the forests of our region and is a welcome break from driving for busy travelers on the Blue Ridge Parkway.

**Rutrough Point:** Rutrough Point remains a popular access point to the Roanoke River and Back Creek for fishing, kayaking, or canoeing and to walk on the one-mile river walk trail along the Roanoke River.

**Special Events:** The Park continues to provide an ideal venue for events such as trail runs, adventure races, fund raising activities, business meetings, and social events. The recent GearJunkies.com Treasure Hunt had 300 participants competing for over \$40,000 in prizes. Two annual trail runs – Explore Your Limits 5k & 10K and the Anthem Into the Darkness 5k & 10k – average over 200 runners in each event, which generates funding for Explore Park to maintain the trail system at the Park.

**Explore Park Film Center:** The Film Center has been involved in more than 16 productions since 2000, working with films distributed by Lionsgate Films, Stormcatcher Productions, the Sci-Fi Channel, the History Channel, A & E, PBS, and Outdoor Living Network. The Park recently worked with the Virginia Film Office to become the base site for a feature length motion picture produced by Virginia-based film company, Advent Film Group, LLC and AYNA, LLC. This project, spanning several months, utilized local businesses and hired many local residents. In the location scout's own words, "Explore Park is a natural back lot for film, advertising, and print media."

Governor McDonnell recently signed into law Virginia's first ever tax credit for the motion picture industry. This is designed to recruit the production of television, film, documentaries, and interactive digital media to Virginia, this legislation was part of the Governor's Jobs and Opportunity" economic development agenda. Governor McDonnell also increased his Motion Picture Opportunity Fund from \$200,000 to \$2,000,000. Secretary of Commerce and Trade Jim Cheng stated, "Virginia's media production industry is an important part of this administration's strategy for economic growth and

job creation for the Commonwealth.” Explore Park is poised and ready to become a part of the Governor’s initiative.

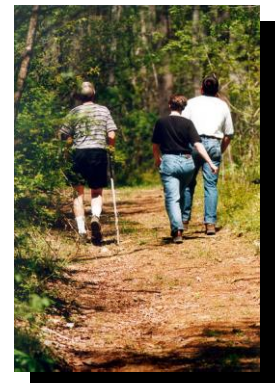
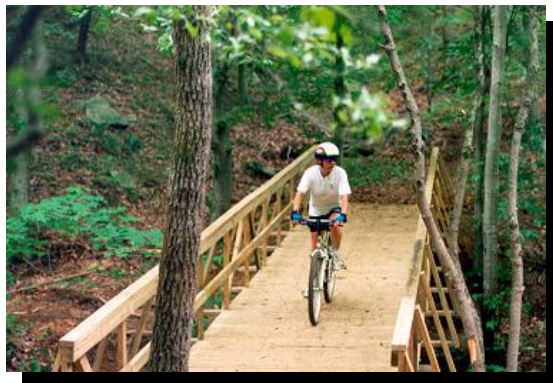
**Tourist Services:** The Blue Ridge Parkway is the most-visited attraction in Virginia as well as the most-visited unit of the National Park Service in the country, surpassing the combined visitation of Yosemite, Grand Canyon, and Yellowstone. Along its 469-mile scenic route through Virginia and North Carolina, travelers are looking for appropriate visitor services, travel information, and restrooms. Virginia’s Explore Park provides all three at the Blue Ridge Parkway Visitor Center.



- A cooperative project between the National Park Service, the County of Roanoke, and Virginia’s Explore Park, the Visitor Center provides visitors with travel information and amenities, two exhibit galleries, an audio-visual presentation of the Blue Ridge Parkway, and the Visitor Center’s gift shop.
- In the 2009-2010 six month operating season 14,000 visitors enjoyed the services of the Visitor Center.

*The center provides information to travelers and features a gift shop, art gallery, and a state-of-the-art theatre for showing interpretive films about the Roanoke Region and Blue Ridge Parkway.*

**Security:** In addition to the trail volunteers, Explore Park has a loyal group of *volunteers* who provide daily inspections of the Park and its facilities for security and minor maintenance.



*Recreation at Virginia’s Explore Park comes in many forms. Above, from left to right: fly-fishing in the Roanoke River, mountain biking along nine miles of the mountain bike trails, or hiking on designated trails.*

## ON THE HORIZON

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Having this extensive infrastructure in place provides the framework for future development, and the options are many. The private sector represented by The River Foundation had led the charge to build out the Historic Areas as well as some visitor service areas. Roanoke County and the National Park Service partnered with Explore Park to develop the Blue Ridge Parkway Visitor Center. Partnerships with other public entities—City of Roanoke, City of Salem, and Bedford County—helped develop additional sites within the Park. The City of Salem specifically underwrote the development of the Salem Turnpike. In the past, the Commonwealth of Virginia provided funding for infrastructure development. These partnerships set the stage to welcome new venues, which may very well become Explore Park’s formula for success by adding significant value to Explore Park as an investment decision and as an attraction focused on driving economic development in the region.

There are quite a few things we can do well without a huge outlay of capital while we prepare to meet greater opportunities in the long run. The goal is to operate on a business model as a self-sustaining organization that creates private sector business opportunities through creative public-private partnerships.

The new vision for Explore Park is to be a leader in providing outdoor recreation opportunities, stewardship of our region’s heritage, and advocacy for environmental conservation for the enjoyment, education, and inspiration of present and future generations. Virginia’s Explore Park will be the region’s first choice for unique and memorable meeting and social event facilities, lodging, premier recreation venues and events, and inspiring educational programs. Our objectives are to:

- i.* provide a high-quality recreational attraction in the western part of the Commonwealth;
- ii.* expand the historical knowledge of adults and children;
- iii.* promote tourism and economic development in the Commonwealth;
- iv.* set aside and conserve scenic and natural areas along the Roanoke River and preserve open-space lands;
- v.* enhance and expand research and educational programs;
- vi.* operate as a self-sustaining organization; and
- vii.* create private sector business opportunities.

### Short-term Plans

The VRFA will gradually phase in the following programs and services based on a sound business model approach, the success of each phase, and available resources and opportunities. The estimated revenue shown is a very conservative estimate of annual revenue based on prior participation levels and market pricing.

**Rental & Lease Program:** At the end of 2007, the same year the Park closed, there were 112 rentals, a 15% increase over the previous year. Of that total there were 24

weddings, 24 receptions, 40 picnics, 20 meetings, and seven youth camps. All agricultural leases were renewed that year, too. In 2011, the VRFA will reopen facilities in the Hospitality Plaza to restore the rental program for weddings, receptions, picnics, meetings, corporate functions, and classes. Opportunities to increase the acreage in agricultural leases will be studied to determine if more land is available to lease.  
*Estimated revenue: \$33,000.*

**Special Events & Programs:** In 2007, the Park had 982 participants in workshops, camps, and programs; a 257% increase over the previous year. Explore Your Limits III had 193 runners, a 62% increase over the previous year; Roanoke Rodeo Roundup had over \$100,000 in donated advertising for Explore Park. With limited staff, the VRFA will work with partners to produce and market programs and events and will recover costs through rental or user fees. *Estimated revenue: \$15,000.*

**Film Center:** The Film Center has been involved in more than 16 productions since 2000, working with film makers with distribution by Lionsgate Films, Stormcatcher Productions, the Sci-Fi Channel, the History Channel, A & E, PBS, and Outdoor Living Network. The “Alone Yet Not Alone” feature film production in 2010 generated \$20,000 in direct revenue and approximately \$70,000 in improvements to the Park for a three-month feature motion picture production. The VRFA will continue to work closely with the Virginia Film Office and associated film production organizations to promote the use of Explore Park’s historic structures, modern structures, and natural areas for the production of films, advertising, and print media. *Estimated revenue: unknown.*

**Historic Area Tours:** In 2007 when the Historic Areas closed, there were approximately 24,000 visitors in this area alone during its six-month season. Of those, 55% were school children and 45% were the general public. Revenue from admissions averaged \$85,000 annually.

The Historic Areas are our signature opportunity and provide a great deal of exposure to the Park. The VRFA needs to reopen these areas to not only meet its obligation to the enabling legislation, but also its obligation to the community – providing them with a chance to experience the heritage and history of our region in the 17<sup>th</sup>, 18<sup>th</sup>, and 19<sup>th</sup> centuries.

In the past the Historic Areas created the greatest challenge due to its expense. It’s an expansive area containing a number of historic structures, little infrastructure, and requiring extensive staffing. The Historic Areas will be reopened without paid interpretive staff by utilizing either guided or self-guided tours with the use of modern technology, audio/visual interpretation, and/or kiosks. A nominal user fee will be charged. Costumed interpreters will be utilized for special events only.

A key element to opening the Historic Area will be volunteers. In the year the Historic Areas ceased to operate, volunteers provided 8,211 hours of volunteer service – a 33% increase over the previous year. Almost 3,000 hours were provided by just 10 individuals. The volunteer labor was valued at approximately \$154,000 (using 2005

Virginia Average Hourly Value of Volunteer time of \$18.73/hour). *Estimated revenue: \$20,000.*

**Park Pass Program:** In many areas of Explore Park, the VRFA will have to consider the viability of “pay to play” access while insuring that fees are not cost prohibitive. Mountain biking, hiking, fishing, and river access for canoeing can be provided as free public access or perhaps a nominal fee. A parking pass or annual pass may be introduced to generate revenue to maintain and improve the facilities. In 2007 the Park had over 61,700 visitors, a 13% increase over the previous year. If each visitor had paid \$1.50, \$92,600 would have been generated. *Estimated revenue: \$10,000.*

**Friends of the Park Annual Memberships:** Re-implement the annual membership program for friends of the Park. When the Park closed it had approximately 250 annual members paying an average of \$62.50 per year to enjoy the Park. *Estimated revenue: \$25,000.*

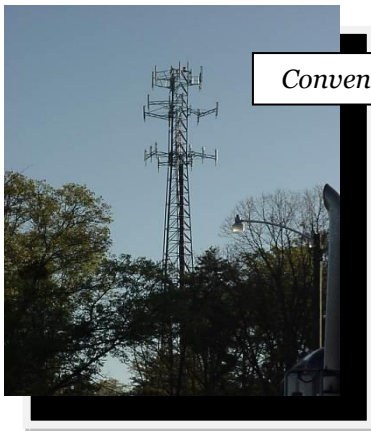
### **Other Revenue Generating Programs**

**Forest Stewardship Program:** The United States Forest Service says that actively managed forests provide timber, fire protection, wildlife habitat, watershed protection, recreational opportunities, and many other benefits for landowners and society. Through active management of Explore Park’s forest the benefit will be the possibility of additional annual income through timber sales of carefully selected trees, creating an environmental demonstration program, and creating a safer environment for Park visitors.

The VRFA will work with the Virginia Department of Forestry or an industry forester to develop an environmentally sensitive forest stewardship plan to meet the specific needs of Explore Park and its mission to protect the environment, which will improve the forest and provide a safe experience for visitors and a more attractive environment for quality programs and services. This also presents the opportunity to create educational and demonstration programs in best management practices for forest stewardship. Workshops and classes have the potential to generate more revenue than the sale of timber through this program. *Estimated revenue: workshops, \$2,000; sale of timber \$2,500.*

**Surplus Land Management Program:** The original land acquisition goal for Explore Park was to amass 2,000 acres for site development. Between 1986 and 1996, approximately 1,300 acres were acquired; today the Park has 1,100 acres. There has been no land management program in place to evaluate the viability of all of the VRFA’s land holdings. It has been recommended that the VRFA create a land management program modeled after the Commonwealth of Virginia’s land management program that sets criteria for the surplus of land that does not support the mission or meet the current and future needs of the Park. No assets will be sold if needed to meet the mission of the Park. This revenue would be designated for capital maintenance and development. *Estimated revenue: unknown.*

**Communication Tower Leases:** Communication towers are a viable opportunity for generating revenue, and it has been confirmed that Bedford County could use the towers for improved data communications, including cell phone and Internet services. The current rate is \$500 per month for low population centers to \$4,000 per month for premium sites. Explore is considered a premium site and could generate \$35,000 to \$175,000 per year in revenues. The 80-foot stealth tower would be appropriate to protect the view sheds of Explore Park and the Blue Ridge Parkway. Below are pictures of two cell towers. The one on the left is a conventional tower that would not be acceptable at Explore Park. The cell tower on the right is a stealth tower located beside the Folk Art Center in Asheville, NC, on the Blue Ridge Parkway. *Estimated revenue: \$35,000 to \$175,000.*



Conventional tower



Stealth tower

**Grants, donations, in-kind support, & volunteers:** The VRFA will continue to pursue opportunities for grants, donations, volunteers, and in-kind support to enhance programs and services and the financial bottom line. The Park's budget will be based on income and expenditures without inclusion of short-term funding rather than assumptions that these opportunities are available on an ongoing basis.

**Roanoke County Support:** Roanoke County currently serves as the Fiscal Agent for the VRFA, provides in-kind support services, and funding for the operation of the Blue Ridge Parkway Visitor Center located at Explore Park.

### Long-term Plans

Outdoor recreation was secondary to the outdoor living history museum (Historic Areas) at Explore Park in the past, but by today's standards we have yet to scratch the surface of our potential as an outdoor recreation venue. By capitalizing on specialized programming and unique outdoor recreational opportunities, the VRFA will position the Park to maximize its natural setting. The costs are minimal and the rewards are as follows:

- Outdoor recreation contributes \$18.7 billion in Virginia.
- Outdoor recreation provides 210,000 jobs in Virginia.

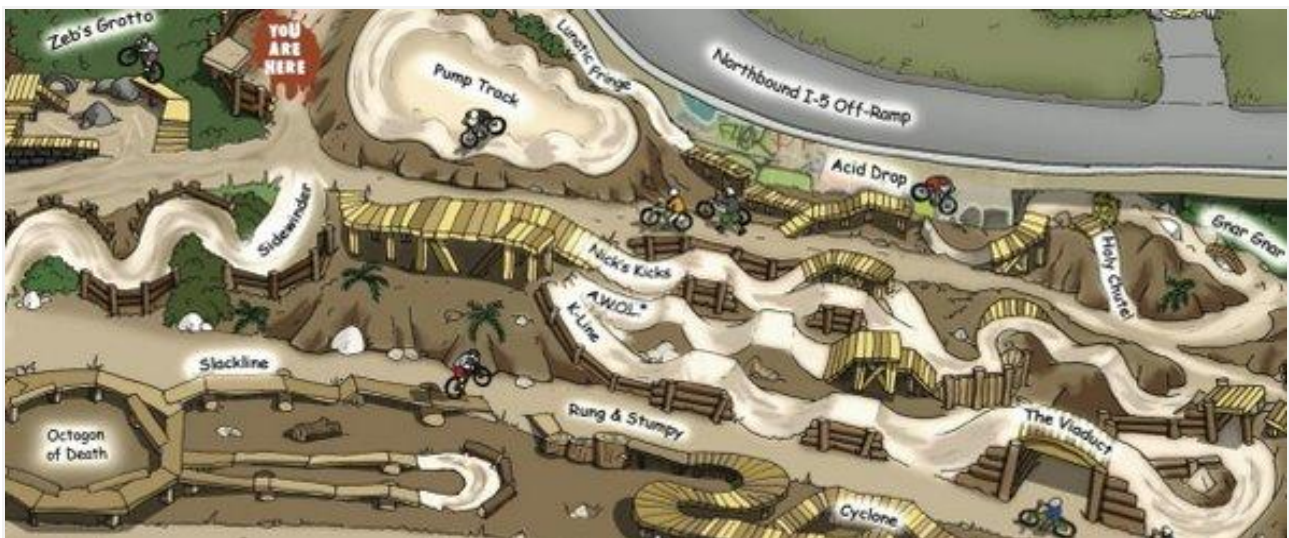
- Outdoor recreation generates more than \$88 billion in annual local, state, and federal tax revenue.
- Outdoor recreation produces \$243 billion annually in retail sales.

The following opportunities will be developed by creating private enterprise opportunities for individuals, businesses, organizations, and public-private partnerships. The VRFA will utilize leasing, Requests for Proposals, and the PPEA to seek out concessionaires, developers, and outfitters who will pay a lease and/or a percentage of revenue for the venues and opportunities created.

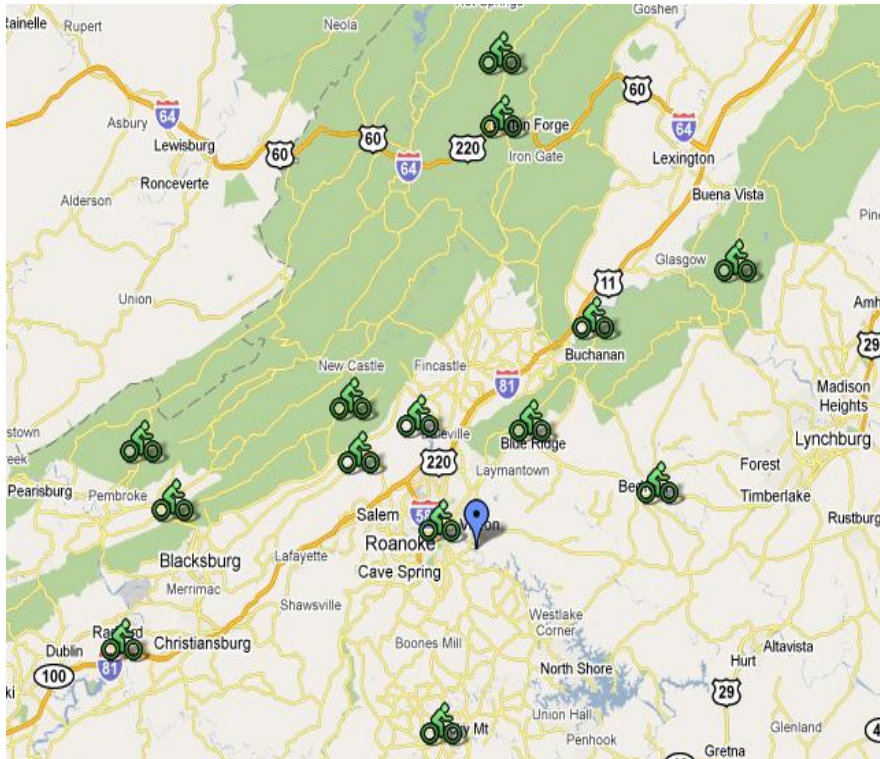
**Bicycle Skills and Ride Center:** a bike center has been targeted as a catalyst for generating critical mass at the Park by promoting of the International Mountain Bicycling Association trails already located at Explore Park. Current statistics:



- Biking contributes \$133 billion to the US economy.
- The biking industry contributes more than \$17.7 billion in tax revenues to state, local, and federal governments.
- The biking industry contributes \$53.1 billion in retail sales.
- The South Atlantic is home to more than 10 million bicyclists – 25% of the adult population.
- The bike center will be a “fee-for-use” facility.



Above is an example of a multi-discipline cycling park, supporting a vast array of cycling disciplines. Epic single-track for the mountain biker, rhythmic pump tracks for BMX enthusiasts, and cyclocross circuits will be available for all to experience and allow any skill level to enjoy, from beginner to expert, child to senior citizen. This park model example is built on 45 acres.



This map, left, illustrates biking opportunities in the region. It should be noted that The Blue Ridge Parkway is interested in working with the VRFA to tie in the proposed Blue Ridge Parkway mountain bike trail system along the Roanoke River Parkway with the existing mountain bike trails and proposed bike center at Explore Park. Explore Park's Bike Trails will become part of a network of biking trails along the Blue Ridge Parkway.

**Adventure Park for Kids:** The model for this facility exists in a well-known amusement park and will be a “fee-for-use” facility. It consists of:

- 2 Acres of Mountain Side Terrain
- 100 Challenging Rope Features
- Swinging Beams, Suspension Bridges, Flying Islands, and Tire Traverse

Children’s programming is essential to the future of the Park. Staff had secured funding for a historically themed playground, but the pending VLH project delayed development of the playground. In addition to being fun, this would be a great opportunity to promote health and wellness to our children.

**Overnight Accommodations:** The types of recreational venues, programs, and events proposed lend themselves to overnight stays. With campgrounds, cabins, and a RV Park, Explore Park becomes a destination. There has been interest in alternative lodging options at Explore Park. Recently, the Park was approached to provide camping for the Blue Ridge Parkway Marathon participants. The VRFA is in preliminary

discussions with a developer for cabins. The VLH studies provided a pathway to a hospitality component at Explore Park, and the VRFA will leverage those studies to determine the viability of overnight accommodations and ancillary opportunities.

*A modest 50-room hotel* with amenities would provide travelers with lodging in unique natural environs. Other options are being considered to accommodate the traveler, including freestanding sleeping cabins popular around Virginia.

Although Roanoke is the largest community on the Blue Ridge Parkway in Virginia, there are no hotels directly accessible from the Parkway in the Roanoke Valley. The closest is the Peaks of Otter Lodge, which is 30 miles away. A delightful hotel in a wooded setting would be attractive to Parkway travelers. Add an Explore Park adventure or forays to other attractions onto their stay and you have a winning package!

**RV & Camping:** The lack of modern RV amenities in the Roanoke Valley is causing the RV traveler to drive by Roanoke on their trip to someplace else. The Blue Ridge Parkway has no nearby campgrounds with hook-ups and the closest RV Park is at Dixie Caverns in west Salem. A more up-to-date RV facility than is currently available would include a camp store, game room, bathhouse, laundry, dump station, and other such amenities to support a variety of RV pads, campsites, and group camping opportunities. With the infrastructure in place to support recreational vehicles and camping, leisure time could be spent enjoying Virginia's Explore Park's numerous venues as well as those around the Roanoke Valley, Bedford and Franklin counties, and Salem.

**Amphitheater:** The VRFA will pursue a minimalist approach in developing an amphitheater. No elaborate concrete structures, just taking full advantage of the terrain as in this example.

This venue would provide a natural setting for local bands, educational programs, theater, and special events.

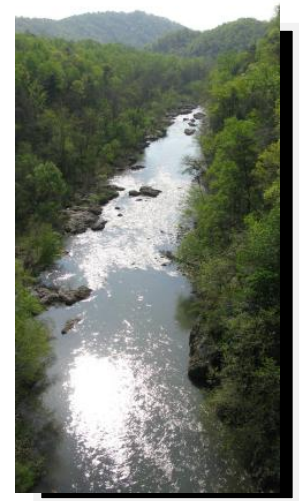
The amphitheater will complement the existing and planned entertainment venues in the Roanoke Valley as well as the Blue Ridge Music Center at Fisher Peak on the Blue Ridge Parkway, 90 miles south of Roanoke.



**Greenways:** At the time that the VRFA began negotiations with Virginia Living Histories, there was an opportunity to pursue greenway trails through the Park. The consortium identified greenways as a way of maximizing the utility of the Park and contributing to the success and plans for the Roanoke Valley Greenways system. A free-use public greenway at Explore Park will need to be routed so that the fee-for-use areas will not be impacted and security of the Park is maintained. This is a map that displays Explore Park's options and alternative routes for a greenway.



**Roanoke River Access:** The Roanoke River is an amenity that needs to be considered in the broad view. Water recreation is tied to many opportunities in the region. The VRFA will thoroughly analyze all its options in regard to water recreation, especially since the headwaters of the popular Smith Mountain Lake start at Explore Park. Activities such as a river walk, boating, and fishing require the expertise of outfitters who know how to maximize the use of the river while providing a return to the Park. Better access for non-motorized boating, fishing, hiking, and nature walks will be developed and opportunities for concessionaires will be pursued to provide equipment sales, rentals, and repairs as well as programming, events, and guided tours.



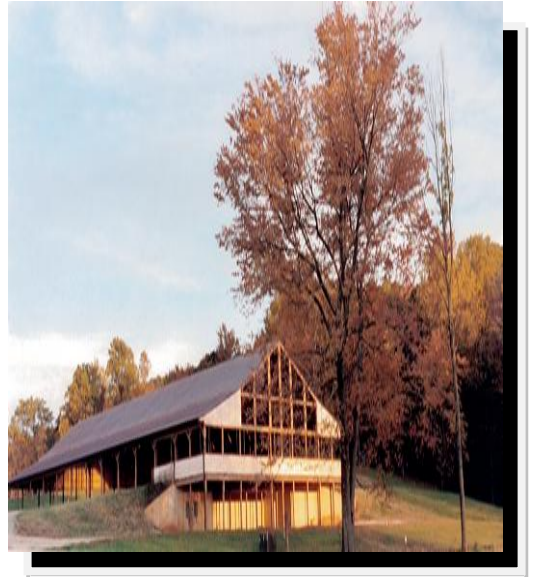
**The River Walk Pavilion:** A riverside pavilion such as the one shown is an opportunity to generate revenue. This model has been successful in the region and provides a “one-of-a-kind” venue in the area for hosting wedding receptions, corporate events, reunions, and catered events.

The pavilion can be built for approximately \$235,000 with estimated annual revenue of \$100,000. A downsized plan could be built for \$125,000. The Site Planning Committee noted that the River Walk Pavilion could anchor a future river side trail and event area.

**Retail Outlets:** The VRFA will utilize existing facilities or allow developers to construct new facilities to house retail venues to sell goods that have been created in the Blue Ridge Parkway region, to include quilts, candy, musical instruments, furniture, and wines. A Blue Ridge Parkway Crafts Center has also been discussed.

Outfitters selling and repairing outdoor gear such as boats, bicycles, hiking accessories, clothing, and fishing tackle are also acceptable retail opportunities.

**Food Services:** The VRFA will utilize existing facilities or allow developers to construct new food service facilities and restaurants to serve the varied tastes of Park visitors as the demand in the Park increases. Food services will range from snack foods and casual dining to more formal settings.





## **BUSINESS MODEL**

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The Commonwealth of Virginia's Outdoors Plan created by the Virginia Department of Conservation and Recreation in 2007 provided guidance for operating in an economy that limits the governments' ability to respond to funding requests. In this publication, the report recommended the establishment of public-private partnerships. The Consortium's findings also encourage the same type of partnerships. Blue Ridge Parkway Superintendent Phil Francis and Virginia State Parks Director Joe Elton presented at one of the Consortium meetings. Both commended the VRFA for pursuing public-private partnerships. The Virginia Outdoor Plan includes this very timely and appropriate statement:

*“In times of increasing demand but limited funding, public and private partnerships take on increased importance. Consequently, local, state, and federal government agencies should expand development of private sector partnerships and volunteer support to meet growing outdoor recreation needs.”*

The VRFA is poised and ready to reinvent Virginia's Explore Park by creating a new way of doing business, focusing on the assets already created and creating private business opportunities to develop new amenities, programs, and services.

### **Old Business Model**

In the old business model, staff had to manage a multitude of programs. Explore Park had 23 staff to manage all operations including fundraising, construction, maintenance, programming, interpretation, operations, and marketing. It was labor intensive and very expensive for the VRFA and in the Consortium's opinion presented an impossible task.

### **New Business Model**

The new business model will require a minimum number of staff, with additional positions created only as necessary when business operations generate revenue sufficient to fund the positions. Under the new business model, Explore Park will start with a full-time executive director, part-time maintenance support, and reserve funding to hire on-demand staff and contractors as necessary. Services and venues will be operated and developed by concessionaires and business partnerships.

The goal is to create business opportunities for individuals, developers, and businesses to utilize existing facilities or develop new venues while generating lease or percentage fee revenue to operate the Park. The VRFA will chart the future of Explore Park by determining what types of public-private partnerships it will engage. For example, public-private partnerships can probably best be utilized with development of the cabins, outdoor recreation program, and retailing.

The executive director will be charged with managing these agreements, along with Explore Park's common areas and infrastructure. The Historic Areas, day rental

facilities, and Visitor Center operations will remain a part of the executive director's charge.

### **The Way Forward**

The Economic Development Consortium has become a valuable asset for Virginia's Explore Park. For this reason, the VRFA will consider appointing the Consortium as an official advisory group to the Board at a future Board meeting. The Executive Director will pursue opportunities as directed by the VRFA. The Executive Director will convene the Economic Development Advisory Committee to determine a course of action, and/or a recommendation. Recommendations could include site recommendations, development, funding, or providing any additional information to assist the VRFA in their decision making. A Board liaison will be appointed to provide the Consortium with access to Board members, information, and advice.

### **Planning for 2011**

The VRFA will begin serious discussions and negotiations for the cabin village, communication towers, outdoor recreation programming, retail center, food services, and the next opportunity in addition to the following:

- Rentals and leases
- Special events and programs
- Reopening of Historic Areas
- Mountain biking, hiking, fishing
- Developing fee schedule & leasing procedures
- Initiate the future and allocate resources
- Create "Friends of Explore Park" and fundraising campaign
- Begin monthly VRFA Board meetings through 2011 year end
- Authorize negotiations
- Continue to work with Roanoke County to strengthen cooperative agreements for shared use of the Park, operation of the Blue Ridge Parkway Visitor Center, and in-kind support services
- Work with Bedford County to determine access alternatives, acceptable development, and shared uses of Park property located in Bedford County

## Operating Options & Estimated Budget

<b>Short-Term Operating Options &amp; Estimated Annual Budget</b>					
	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Current Budget &amp; Operations</b>	<b>Stewardship</b>
Staffing	Manager, Maintenance Supervisor, Rental Supervisor, PT	Manager, Maintenance Supervisor, PT	Manager, on demand staff and contractual services	Contractual	None
Service Level	Rentals (includes Brugh Tavern), recreation, leases, and Visitor Center operating, self-guided tour of Historic Areas.	Rentals, recreation, leases, and Visitor Center operating, self-guided tour of Historic Areas. <b>Brugh Tavern remains closed.</b>	Rentals, recreation, leases, and Visitor Center operating. <b>Brugh Tavern and Historic Areas closed.</b>	Selected trails and river access open. Agricultural leases and Visitor Center operating.	No Park operations
<b>TOTAL ESTIMATED BUDGET</b>	<b>\$339,449.00</b>	<b>\$274,449.00</b>	<b>\$231,349.00</b>	<b>\$110,599.00</b>	<b>\$33,099.00</b>

**Business Plan Financials**  
**(Based on Option 3 shown on page 31)**

"For illustrative purposes only." The VRFA Board of Directors has had general discussions, but has not approved contracts for these activities.

OPENING BALANCE	ESTIMATED ANNUAL	NOTES
<b>CASH &amp; ASSETS</b>		
Start-up Cash	\$250,000	
Fundraising campaign	<u>\$150,000</u>	minimum new revenue required to operate
Total	\$400,000	
<b>START-UP COSTS</b>		
Water System Upgrade & Repairs	\$30,000	heated pump house, water level float, filter system
Reserve for VRA Loan for sewage treatment systems	\$150,000	Virginia Resource Authority loan balance
Taubman Center furnishings for offices & rentals	\$30,000	
Maintenance equipment & radios	\$50,000	
Picnic area for rentals at Journey's End	\$18,000	3 tents, tables, benches, grills, trash cans
Rutrough Point Parking lot	\$15,000	engineering, grading, & gravel
Hospitality Plaza picnic area for tourists	\$4,500	
Roadway & bridge repairs, lighting, de-winterizing, fire extinguishers	\$40,000	
Estimated Start-up Costs	<u>\$337,500</u>	
<b>Balance for operating reserve &amp; contingency</b>	<u>\$62,500</u>	

<b>OPERATING EXPENSES &amp; REVENUE ESTIMATES</b>		<b>NOTES</b>
<b>OPTION 3 OPERATIONS</b>	<b>Staffing</b>	<b>Manager, on demand staff and contractual services</b>
	<b>Service Level</b>	<b>Rentals, recreation, leases, and Visitor Center operating. Tavern and Historic Areas closed</b>
<b>EXPENDITURES</b>		
Administrator-FT Salary and Benefits	\$50,000	
Contractual Services	\$50,000	maintenance, mowing, supervision
Audit	\$4,000	
Advertising and Marketing	\$5,000	
Internet Charges	\$2,100	
Custodial Services	\$5,000	
Debt Payments	\$19,149	
Insurance - Property	\$12,000	
Insurance - Worker's Compensation	\$2,500	
Maintenance-Bldg/Misc Supplies	\$10,000	
Office Supplies	\$1,500	
Visitor Center operations & staffing	\$50,000	
Portable Toilet Service	\$600	2 units @\$50 month x 6 months
Postage	\$500	
Emergency Contingency	\$8,000	
Telephones	\$1,000	
Utilities for all other buildings	\$10,000	
<b>TOTAL EXPENSES</b>	<u><u>\$231,349</u></u>	
<b>REVENUE</b>		
		<b>First full year of operations</b>
Annual Membership Sales	\$25,000	500 annual memberships @\$50.00
Special Events	\$10,000	10 events net profit of \$1,000 per event
Recreation Access Parking Fee	\$9,000	3000 cars @ \$3.00
Agricultural Leases	\$2,600	Current level
Mt Union Church Rentals	\$15,000	15 @ \$1000
Taubman Reception Hall Rentals	\$15,000	15 @ \$1000
Taubman Retail Rental of 1st Floor	\$7,200	\$600 per month x 12 months
Journey's End Picnic Area Rentals	\$7,000	20 @\$350
County of Roanoke Appropriation for Visitor Center Operations	\$60,000	per agreement with Explore Park and the Blue Ridge Parkway
Visitor Center Gift Shop Net Revenue	\$12,000	based on current level
Visitor Center Theater Rentals	\$5,000	10 @ \$500
Forest Stewardship Workshops	\$1,000	4 @ \$250 net profit
Program & Workshop Fees	\$2,500	10 @ \$250 net profit
<b>TOTAL REVENUE</b>	<u>\$171,300</u>	
Net Loss	(\$60,049)	
Beginning cash from year 1	<u>\$60,049</u>	carryover from cash assets
Net Profit	<u>\$0</u>	

<b>ADDITIONAL REVENUE OPPORTUNITIES (currently under study or review)</b>	<b>ESTIMATED ANNUAL REVENUE</b>	<b>NOTES</b>
Ropes Course Concessionaire	\$41,250	5,000 participants per season x \$55= \$275,000 gross revenue to concessionaire. VRFA could net 15% of gross sales from operator plus utility fees. No capital investment.
Primitive Campground (tents & platforms)	\$2,000	VRFA operated with 20-25 spaces. Capital investment \$2,000.
Cabin Lease Operations	\$53,901	Smith Mountain Lake State Park has 20 cabins grossing \$359,342 annually at \$17,967 per cabin. VRFA could net 15% of gross sales from lessee plus utility fees for 20 cabins. No capital investment.
RV Campground Lease Operations	\$19,314	Va. State Parks averages \$2,146 in gross revenue per campsite with very few RV campsites. VRFA could net 15% of gross sales from lessee plus utility fees for 60 RV spots. No capital investment.
Bike Skills Center Concessionaire	\$9,000	Snowshoe Resort charges \$24 to \$39 per day fee for use of Mt. Bike Center. VRFA could net 15% of gross sales from lessee plus utility fees based on 2,500 daily passes at \$24. No capital investment.
Outfitter Rental	\$7,200	\$600 per month x 12 months. No capital investment.
Communication Tower Lease/s	\$48,000	\$4,000 per month x 1 tower. Consultant fees will be required.
Brugh Tavern Lease	\$18,000	Based on lease of \$1,500 per month. Lessee responsible for utilities, equipment, & furnishings. No capital investment.
River Walk Pavilion	\$39,000	Capital investment of \$125,000 to \$235,000.
<b>Net Revenue to VRFA</b>	<b>\$237,665</b>	

- The Business Plan Financials are based on the minimalist approach with a full 12 months of operation with all shown facilities operating. It does not include park preparation time.
- This plan is contingent on obtaining partner agreements.
- Will require a line of credit until cash flow is sufficient to fund operations.
- Will require a fundraising campaign to cover the cost of start-up funds and cash flow.
- Start-up costs may be reduced by obtaining surplus equipment or donations.

## CONCLUSION

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There is little doubt that Virginia's Explore Park is an asset to the Roanoke Valley region and to the Commonwealth's tourism efforts as a whole. The tremendous progress noted in this document would not have been possible without the passion and politics of partnerships.

Because of these partnerships . . .

- The federal government has an attraction along the much-revered Blue Ridge Parkway, adding to its charm and serving its mission ("... preserves unimpaired the natural and cultural resources and values of the National Park system for the enjoyment, education, and inspiration of this and future generations. The Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world."). Additionally, through the help of Roanoke County and Virginia's Explore Park, there is now a visitor center on the Parkway in the Roanoke Valley region.
- Through significant contributions from the public and private sectors, the Commonwealth of Virginia has the potential for a first-class attraction in the western part of the state, serving the growing needs of history buffs, ecotourists, and travelers along the I-81/I-77/Blue Ridge Parkway corridors. Additionally, because all private development is gifted to the state upon completion, the Commonwealth has watched its investment more than triple since the Park's inception.
- Local governments have an attraction that adds appreciably to the quality of life of its residents, encourages economic development, and makes a significant contribution to the critical mass needed to make the Roanoke Valley a destination for tourists, thereby generating income from meals, admissions, and lodging taxes.
- Companies, families, and individuals have an outdoor living history museum and recreation park for their use and enjoyment right in their own back yard. Conveniently located on the Blue Ridge Parkway, Explore Park once again can be a place for meetings, receptions, and family fun away from the work-a-day world in which we live.

The potential for future growth at Virginia's Explore Park is limited only by the imagination and the resources available to take the Park to its next level of development. The infrastructure is in place and the Virginia Recreational Facilities Authority Board of Directors is motivated to get started.

So, what's next and what's missing?

## THE MISSION PIECE

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Community investment in Virginia's Explore Park has been considerable and will certainly continue to grow as the economy improves and more and more people become familiar with Explore Park and what it has to offer.

There are many justifications to maintain and strengthen public-private partnerships in this case, several of which are outlined below:

- Public-private partnerships are nimble and more efficient, cutting down on bureaucracy and paperwork. This is the essence of the Commonwealth's existing PPEA model, which allows private investment in public entities.
- Individuals, companies, foundations, and governments can become investors if they have resources available and contribute importantly to its ongoing success. Virginia's Explore Park has enjoyed widespread support from a number of sources, public and private.
- Public-private partnerships encourage cooperation. In the absence of a large single investor, few attractions are built without a cooperative relationship among a number of individuals and organizations. Investors like cooperation, and so does the public.
- Success breeds success. By supporting this type of public-private partnership, the Commonwealth of Virginia builds a model for other partnerships around Virginia, allowing the state to stretch limited resources and share the burdens and joys of investment with local governments and private individuals, foundations, and corporations. This is also a unique opportunity for citizens to witness a public-private partnership that works to create a first-class attraction for their enjoyment.

Virginia's Explore Park is a true asset of the Commonwealth of Virginia that should be afforded a degree of protection by the government that breathed life into it almost 24 years ago. The Park's stakeholders also need to have an active role in its management.

**For these reasons, the Virginia Recreational Facilities Authority asks the Commonwealth's consideration of the following:**

1. Recognize that the Virginia Recreational Facilities Authority has operated and continues to operate Virginia's Explore Park in accordance with the Code of Virginia, to the extent that no further legislative extensions of the "reversion" clause of § 10.1-1618 should be necessary.
2. To endorse, encourage and support the Virginia Recreational Facilities Authority's dedication, motivation, and passion for continuing to operate and make Virginia's Explore Park a success for our citizens and tourists and an economic driver for western Virginia and the Commonwealth.

3. Give Roanoke County, Explore Park's largest local government investor, voting representation on the Virginia Recreational Facilities Authority Board of Directors based on its financial participation and in-kind support in a manner similar to the governance structures of many authorities around the Commonwealth of Virginia. Other localities should also be given the opportunity for representation depending upon their financial investment and in-kind support.
4. Move Virginia's Explore Park from the nonstate agency status to a line item in the Department of Conservation and Recreation's budget to provide some level of security and remove Explore Park from the instability of nonstate agency status. This action would provide the same status as the Frontier Culture Museum in Staunton, which is a line item under the Department of Education. The reason for this is simple: Virginia's Explore Park is a significant asset of the Commonwealth of Virginia. The VRFA understands that funding is very limited even if the Park were given status as a state agency.
5. Consider investing in the capital development venues at Virginia's Explore Park that will become an ongoing revenue source to the Park, such as lodging, amphitheater, and RV Park.
6. Consider investing in development of revenue-producing programs, such as recreation, entertainment, and education.
7. Allow the Virginia Department of Commerce and Trade to assist the VRFA in creating and soliciting proposals for development of public/private projects at the Park.
8. Allow Virginia State Parks to provide technical and programming assistance to the VRFA.
9. Provide in-kind support services as appropriate to reduce the ongoing or capital expenses of Park operations. Examples are to provide surplus equipment and vehicles and professional planning services.

In short, we ask that the Commonwealth of Virginia provide this missing piece and shore up the partnership that began in the minds of great Virginians in the not too distant past, and which is now realized on the ground at Virginia's Explore Park.

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# APPENDIX



## ***Virginia Recreational Facilities Authority***

Post Office Box 29800 • Roanoke, VA 24018-0798  
540.772.2104 • FAX 540.561.2854

### **BOARD OF DIRECTORS**

**The Hon. Alfred C. Anderson**  
*VRFA Chairman*  
5115 Burnt Quarter Drive  
Vinton, VA 24179

540.890.1578  
annandfreda@gmail.com  
6-30-11

**Mrs. Trixie L. Averill**  
*4278 Toddsbury Circle*  
Vinton, VA 24179

540.798.6519  
Gopgirl2@aol.com  
6-30-15

**Mr. Kelvin C. Bratton**  
*VRFA Vice Chairman*  
5118 Wipledale Avenue  
Roanoke, VA 24019

540.853.1833  
FAX 540.853.1559  
kcbratton@verizon.net  
6-30-14

**The Hon. William H. Cleaveland**  
Virginia House of Delegates  
40 British Woods Drive, Suite 101  
Roanoke, VA 24019

540.992.4041  
FAX 540.992.4546  
DelWCleaveland@house.virginia.gov

**The Hon. Carolyn D. Fidler**  
Vinton Town Council  
Post Office Box 43  
Vinton, VA 24179-0043

PH and FAX 540.343.7868  
cdfidler@verizon.net  
6-30-14

**Gregory D. Habeeb, Esq.**  
Gentry, Locke, Rakes & Moore  
Post Office Box 40013  
Roanoke, VA 24022

540.983.9351  
Greg\_habeeb@gentrylocke.com  
6-30-15

**Mr. Elmer C. Hodge, Jr.**  
1530 Nichols Road  
Bedford, VA 24523

540.586.9193  
elmerhodge@msn.com  
6-30-14

**Mrs. Jane Sullivan Horne**  
Prudential Waterfront Properties  
2740 Water's Edge Drive  
Penhook, VA 24137

540.493.1690  
jane@janeatthelake.com  
6-30-15

**David A. Hurt**  
814 Truman Hill Road  
Hardy, VA 24101

540.598.9645  
trumanhillfarm@yahoo.com  
6-30-14

**Mr. Mark S. Lawrence**  
Vice President, Governmental and External Affairs  
Carilion Clinic  
101 Elm Avenue  
Roanoke, VA 24013

540.985.9099  
540.224.4631  
FAX 540.983.1113  
mslawrence@carilionclinic.org  
6-30-15

**The Hon. James W. Morefield**  
Virginia House of Delegates  
Post Office Box 838  
North Tazewell, VA 24630

276.345.4300  
DelJMorefield@house.virginia.gov

**The Hon. Stephen D. Newman**  
Senate of Virginia  
Post Office Box 480  
Forest, VA 24551

434.385.1065  
FAX 434.385.1021  
snewman@senatornewman.com

**The Hon. David A. Nutter**  
Virginia House of Delegates  
Post Office Box 1344  
Christiansburg, VA 24068

540.382.7731  
FAX 540.382.6803  
deldnutter@house.state.va.us

**The Hon. Mark D. Obenshain**  
Senate of Virginia  
Post Office 555  
Harrisonburg, VA 22803

540.437.1451  
FAX 540.437.3101  
mark@markobenshain.com

**Mr. John C. Renick**  
Meridium, Inc.  
10 South Jefferson Street  
Roanoke, VA 24011

540.344.9205, ext. 1179  
jrenick@meridium.com  
6.30.14

**Mr. Claude Reynolds**  
2655 Nottingham Road, SE  
Roanoke, VA 24014

540.344.4948  
caar5555@yahoo.com  
6-30-11

**Mr. William H. Tanger**  
Post Office Box 1750  
Roanoke, VA 24008

540.366.2228  
MOBILE 540.266.0237  
bill.tanger@verizon.net  
6-30-14

**Peter D. Vieth, Esq.**  
Legal Editor, Virginia Lawyers Weekly  
1846 Whippletree Drive  
Roanoke, VA 24018-2730

540.761.5038  
pvieth@gmail.com  
6-30-11

**The Hon. Onzlee Ware**  
Partner  
Ware & Hill, LLP  
Post Office Box 1745  
Roanoke, VA 24008

540.344.7947  
FAX 540.344.7980  
onzleeware@aol.com

## ADVISORY MEMBERS

**Mr. Thomas S. "Pete" Haislip**

Director, Roanoke County Parks, Recreation & Tourism  
1206 Kessler Mill Road  
Salem, VA 24153

540.387.6165  
FAX 540.387.6146  
phaislip@roanokecountyva.gov

**Mrs. Diane D. Hyatt**

Assistant County Administrator, County of Roanoke  
Post Office Box 29800  
Roanoke, VA 24018-0798

540.776.7190  
FAX 540.772.2193  
dhyatt@roanokecountyva.gov

**Mr. Sergei Troubetzkoy**

Director, Bedford Tourism  
816 Burks Hill Road  
Bedford, VA 24523

540.587.5682  
FAX 540.587.5983  
sergei@visitbedford.com

## OTHERS

**Mr. Brian Carter, CPA**

*VRFA Fiscal Agent Liaison*  
Finance Manager  
County of Roanoke  
Post Office Box 29800  
Roanoke, VA 24018-0798

540.772.2020, ext 322  
FAX 540.772.2186  
bcarter@roanokecountyva.gov

**Gregory J. Haley, Esq.**

*VRFA Counsel*  
Gentry, Locke, Rakes & Moore  
Post Office Box 40013  
Roanoke, VA 24022-0013

540.983.9368  
FAX 540.983.9468  
greg\_haley@gentrylocke.com

**Ms. Penny K. Lloyd**

*VRFA Recording Secretary*  
Marketing and Information Manager  
County of Roanoke  
Post Office Box 29800  
Roanoke, VA 24018-0798

540.772.2104  
MOBILE 540.525.9548  
FAX 540.561.2854  
plloyd@roanokecountyva.gov

**Ms. Deborah H. Pitts**

*VRFA Management Consultant*  
1505 Shorevue Circle  
Hardy, VA 24101

540.890.2195  
MOBILE 540.520.4838  
debpitts@b2xonline.com

# CODE OF VIRGINIA

## CHAPTER 16.

### Virginia Recreational Facilities Authority

#### § 10.1-1600. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Authority" means the Virginia Recreational Facilities Authority.

"Board" means the board of directors of the Authority.

"Bonds" means notes, bonds, certificates and other evidences of indebtedness or obligations of the Authority.

"Federal agency" means the United States of America, the President of the United States of America, and any department, corporation, agency, or instrumentality created, designated, or established by the United States of America.

"Project" means the construction, improvement, furnishing, maintenance, acquisition or operation of any facility that will further the purposes of the Authority, together with all property, rights, easements and interests which may be acquired by the Authority.

#### § 10.1-1601. Authority created.

In order to (i) provide a high quality recreational attraction in the western part of the Commonwealth; (ii) expand the historical knowledge of adults and children; (iii) promote tourism and economic development in the Commonwealth; (iv) set aside and conserve scenic and natural areas along the Roanoke River and preserve open-space lands; and (v) enhance and expand research and educational programs, there is created a political subdivision of the Commonwealth to be known as "The Virginia Recreational Facilities Authority." The Authority's exercise of the powers conferred by this chapter shall be deemed to be the performance of an essential governmental function.

#### § 10.1-1602. Board of directors.

The Authority shall be governed by a board of directors consisting of 19 members who shall be appointed as follows: two members of the Senate to be appointed by the Senate Committee on Rules; four members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; and 13 nonlegislative citizen members to be appointed by the Governor, upon consideration of the recommendation of the River Foundation, if any, and subject to confirmation by the General Assembly. Nonlegislative citizen members of the Authority shall be citizens of the Commonwealth.

Legislative members shall serve terms coincident with their terms of office. After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of five years. Vacancies in the membership of the Board shall be filled for the unexpired portion of the term in the same manner as original appointments are made. All members may be reappointed.

Immediately after appointment, the directors shall enter upon the performance of their duties. The Board shall annually elect a chairman and vice-chairman from its members, and shall also elect annually a secretary, who may or may not be a member of the Board. The Board may also elect other subordinate officers who may or may not be members of the Board, as it deems proper. Seven directors shall constitute a quorum for the transaction of the business of the Authority, and no vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. The Board may employ an executive director to direct the day-to-day activities of the Authority and carry out the powers and duties delegated to him. The executive director shall serve at the pleasure of the Board. The executive director and employees of the Authority shall be compensated in the manner provided by the Board and shall not be subject to the provisions of the Virginia Personnel Act (§ [2.2-2900](#) et seq.).

Legislative members of the Authority shall receive such compensation as provided in § [30-19.12](#), and nonlegislative citizen members shall receive such compensation for the performance of their duties as provided in § [2.2-2813](#). All members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ [2.2-2813](#) and [2.2-2825](#). Funding for the costs of compensation and expenses of the members shall be provided by the Virginia Recreational Facilities Authority.

#### § 10.1-1603. Powers of Authority.

The Authority is granted all powers necessary or convenient for carrying out its statutory purposes, including the following rights and powers:

1. To acquire by gift, devise, purchase, or otherwise, absolutely or in trust, and to hold, use, lease as lessee and unless otherwise restricted by the terms of the gift or devise, to lease as lessor, convey, sell or otherwise dispose of any property, real or personal, or any estate or interest therein including water rights. However, the Authority shall have no power to encumber its real property or create any estate or interest therein other than encumbrances on structures not extending to the real property upon which such structures are constructed.
2. To make and enter into any contracts and agreements with any appropriate person or federal agency. Such contracts include but are not limited to (i) agreements with the Commonwealth, or any agency thereof, to lease property owned or controlled by the Commonwealth, for the purpose of construction, improvement, maintenance, or operation of any project or activity that will further the purposes described in this chapter; and (ii) agreements with any person to sublease property owned or controlled

by the Commonwealth or to issue licenses for the purpose of construction, improvement, maintenance, or operation of any project or activity that will further the purposes described in this chapter.

3. To plan, develop, carry out, construct, improve, rehabilitate, repair, furnish, maintain, and operate projects.

4. To promulgate regulations concerning the use of properties under its control to protect such property and the public thereon.

5. To fix, alter, charge, and collect rates, rentals, and other charges for the use of projects of, or for the sale of products of or for the services rendered by the Authority. Such charges shall be used to pay the expenses of the Authority, the planning, development, construction, improvement, rehabilitation, repair, furnishing, maintenance, and operation of its projects and properties, the costs of accomplishing its purposes set forth in § 10.1-1601, and the principal of and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations. Such fees, rents and charges shall not be subject to supervision or regulation by any commission, board, or agency of the Commonwealth or any political subdivision thereof.

6. To borrow money, make and issue bonds including bonds that the Authority may determine to issue for the purposes set forth in § 10.1-1601 or of refunding bonds previously issued by the Authority. The Authority shall have the right to secure the payment of all bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals, and receipts or of any project or property, tangible or intangible, or any interest therein. However, the Authority shall have no power to encumber its real property or create any estate or interest therein other than encumbrances on structures not extending to the real property upon which such structures are located. The bonds may be secured by a pledge of any grant or contribution from a person or federal agency. The Authority shall have the power to make agreements with the purchasers or holders of the bonds or with others in connection with the bonds, whether issued or to be issued, as it deems advisable, and in general to provide for the security for the bonds and the rights of the bond holders.

7. To employ consultants, attorneys, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers and such other employees and agents as may be necessary, and to fix their compensation to be payable from funds made available to the Authority.

8. To receive and accept from any federal agency, foundation, or person, grants, loans, gifts or contributions of money, property, or other things of value, to be held, used and applied only for the purposes for which the grant or contribution is made or to be expended in accomplishing the objectives of the Authority.

9. To develop, undertake and provide programs, alone or in conjunction with any person or federal agency, for scientific research, continuing education, and in-service training,

provided that credit towards a degree, certificate or diploma shall be granted only if the education is provided in conjunction with an institution of higher education authorized to operate in the Commonwealth; and to foster the utilization of scientific research information, discoveries and data.

10. To pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority.

11. To do all acts and things necessary or convenient to carry out the powers granted by this chapter or any other acts.

§ 10.1-1604. Form, terms, and execution of bonds.

A. The bonds of each issue shall be dated, shall bear interest at rates fixed by the Authority, shall mature at a time not exceeding forty years from their date, as determined by the Authority, and may be made redeemable before maturity, at the option of the Authority, at a price and under terms and conditions fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form of bonds and manner of execution of the bonds and shall fix the denomination of the bonds and the place of payment of principal and interest, which may be at any bank or trust company.

B. The bonds shall be signed by the chairman or vice-chairman of the Authority, or if authorized by the Authority, shall bear his facsimile signature, and the official seal of the Authority, or, if authorized by the Authority, a facsimile signature thereof shall be impressed or imprinted thereon and attested by the secretary or any assistant secretary of the Authority, or, if authorized by the Authority, with the facsimile signature of such secretary or assistant secretary. Any coupons attached to bonds issued by the Authority shall bear the signature or facsimile signature of the chairman or vice-chairman of the Authority. If any officer whose signature or facsimile signature appears on any bonds or coupons ceases to be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid for all purposes. Any bonds may bear the facsimile signature of, or may be signed by, persons who are the proper officers to sign the bonds at the actual time of the execution of such bonds although at the date of the bonds such persons may not have been officers.

§ 10.1-1605. Issuance and sale of bonds.

The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds. The Authority may sell such bonds in the manner, either at public or private sale, and for the price, that it determines will best effect the purposes of this chapter. Bonds may be issued under the provisions of this chapter without obtaining the consent of any commission, board or agency of the Commonwealth or of any political subdivision, and without any other proceedings or conditions other than those which are specifically required by this chapter.

§ 10.1-1606. Use of bond proceeds.

The proceeds of the bonds of each issue shall be used solely for the purposes of the Authority provided in the resolution authorizing the issuance of the bonds or in the trust agreement authorized in this chapter.

§ 10.1-1607. Interim receipts or temporary bonds.

The Authority is authorized to issue interim receipts or temporary bonds as provided in § 15.2-2616 and to execute and deliver new bonds in place of bonds mutilated, lost or destroyed, as provided in § 15.2-2621.

§ 10.1-1608. Faith and credit of Commonwealth or political subdivision not pledged.

No obligation of the Authority shall constitute a debt, or pledge of the faith and credit, of the Commonwealth or of any political subdivision, but shall be payable solely from the revenue and other funds of the Authority which have been pledged. All such obligations shall contain on the face a statement to the effect that the Commonwealth, political subdivisions, and the Authority shall not be obligated to pay the obligation or the interest except from revenues and other funds of the Authority which have been pledged, and that neither the faith and credit nor the taxing power of the Commonwealth or of any political subdivision is pledged to the payment of the principal of or the interest on such obligations.

§ 10.1-1609. Expenses of the Authority.

All expenses incurred in carrying out the provisions of this chapter shall be payable solely from funds provided under the provisions of this chapter and no liability shall be incurred by the Authority beyond the extent to which moneys are provided under the provisions of this chapter.

§ 10.1-1610. Trust agreement securing bonds.

In the discretion of the Authority any bonds issued under the provisions of this chapter may be secured by a trust agreement between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company. The trust agreement or the resolution providing for the issuance of bonds may pledge or assign the revenues to be received and provide for the mortgage of any project or property or any part thereof. However, the Authority shall have no power to encumber its real property or create any estate or interest therein other than encumbrances on structures not extending to the real property upon which such structures are located. The trust agreement or resolution may contain reasonable, proper and lawful provisions for protecting and enforcing the rights and remedies of the bondholders. The trust agreement or resolution may include covenants setting forth the duties of the Authority in relation to the acquisition of property and the planning, development, acquisition, construction, rehabilitation, establishment, improvement, extension, enlargement, maintenance, repair, operation and insurance of the project in connection with which

such bonds have been authorized, the rates and fees to be charged, the custody, safeguarding and application of all moneys, and conditions or limitations with respect to the issuance of additional bonds. It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth which may act as depository of the proceeds of bonds or of revenue, to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. The trust agreement may set forth the rights of action by bondholders and other provisions the Authority deems reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust agreement or resolution may be treated as a part of the operation of the project.

§ 10.1-1611. Moneys received deemed trust funds.

All moneys received pursuant to the authority of this chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this chapter. The resolution authorizing the bonds of any issue or the trust agreement securing such bonds shall provide that any officer with whom, or any bank or trust company with which, such moneys are deposited shall act as a trustee of such moneys and shall hold and apply the moneys for the purposes hereof, subject to such regulations as this chapter and the resolution or trust agreement may provide.

§ 10.1-1612. Proceedings by bondholder or trustee to enforce rights.

Any holder of bonds issued under the provisions of this chapter or any of the applicable coupons, and the trustee under any trust agreement, except to the extent the rights herein given may be restricted by the trust agreement or the resolution authorizing the issuance of such bonds, may protect and enforce rights under the laws of the Commonwealth or under the trust agreement or resolution, and may enforce all duties required by this chapter or by the trust agreement or resolution to be performed by the Authority or by any officer thereof, including the fixing, charging, and collecting of rates, rentals, and other charges.

§ 10.1-1613. Bonds made securities for investment and deposit.

Bonds issued by the Authority under the provisions of this chapter are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose authorized by law.

§ 10.1-1614. Revenue refunding bonds; bonds for refunding and for cost of additional projects.

The Authority is authorized to provide for the issuance of revenue refunding bonds of the Authority for the purpose of refunding any bonds then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable by the Authority, for the additional purpose of constructing improvements, extensions, or enlargements of the projects in connection with which the bonds to be refunded have been issued. The Authority is further authorized to provide by resolution for the issuance of its revenue bonds for the combined purpose of (i) refunding any bonds then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption of such bonds, and (ii) paying all or any part of the cost of any additional project or any portion thereof. The issuance of such bonds, the maturities and other details, the rights of the holders, and the rights, duties and obligations of the Authority shall be governed by the provisions of this chapter.

§ 10.1-1615. Grants or loans of public or private funds.

The Authority is authorized to accept, receive, receipt for, disburse, and expend federal and state moneys and other moneys, public or private, made available by grant, loan or otherwise, to accomplish any of the purposes of this chapter. All federal moneys accepted under this section shall be accepted and expended by the Authority upon terms and conditions prescribed by the United States and consistent with state law. All state moneys accepted under this section shall be accepted and expended by the Authority upon terms and conditions prescribed by the Commonwealth.

§ 10.1-1616. Exemption from taxes or assessments.

The exercise of the powers granted by this chapter is for the benefit of the people of the Commonwealth, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions. Since the operation and maintenance of projects by the Authority and the undertaking of activities in furtherance of the purpose of the Authority will constitute the performance of essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon any project or any property acquired or used by the Authority under the provisions of this chapter or upon the income there from, including sales and use taxes on tangible personal property used in the operations of the Authority. Any bonds issued under the provisions of this chapter, their transfer and the income which may result, including any profit made on the sale, shall be free from state and local taxation. The exemption hereby granted shall not be construed to extend to persons conducting business on the premises of a facility for which local or state taxes would otherwise be required.

§ 10.1-1617. Moneys of Authority.

All moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Such moneys shall be deposited by the treasurer in one or more banks or trust companies, in one or more special accounts. All banks and trust companies are authorized to give security for such deposits, if required by the Authority. The moneys in

the accounts shall be paid out on the warrant or other order of the treasurer of the Authority or any person authorized by the Authority to execute such warrants or orders. The Auditor of Public Accounts of the Commonwealth, and his legally authorized representatives, shall examine the accounts and books of the Authority.

§ 10.1-1618. Title to property.

The Authority may acquire title to property in its own name or in the name of the Commonwealth for and on behalf of the Authority. In the event the Authority ceases to operate its projects and to promote the purposes stated in § 10.1-1601 or is dissolved, the title to real property held by the Authority shall transfer to the Commonwealth and be administered by the Department of Conservation and Recreation; provided however, in the event that an environmental audit of any real property or interest therein, or portion of such property, to be transferred pursuant to this section discloses any environmental liability or violation of law or regulation, present or contingent, the Governor may reject the transfer of any portion of such property which he determines to be environmentally defective.

§ 10.1-1619. Violation of regulations.

Violation of any regulation adopted pursuant to § 10.1-1603 which would have been a violation of law or ordinance if committed on a public street or highway shall be tried and punished as if it had been committed on a public street or highway. Any other violation of such regulations shall be punishable as a Class 1 misdemeanor.

§ 10.1-1620. Appointment of special conservators of the peace.

The chairman of the Authority or his designee may apply to the circuit court of any county or city for the appointment of one or more special conservators of the peace under procedures specified by § 19.2-13.

§ 10.1-1621. Conveyance or lease of park to Authority.

The Commonwealth or any county, municipality, or other public body is authorized to convey or lease to the Authority, with or without consideration, any property to use for projects that will further the purposes described in this chapter.

§ 10.1-1622. Recordation of conveyances of real estate to Authority.

No deed purporting to convey real estate to the Authority shall be recorded unless accepted by a person authorized to act on behalf of the Authority, which acceptance shall appear on the face of the deed.

# **The Virginia Recreational Facilities Authority**

## **Bylaws**

### **Article I - Purpose**

The purpose of these bylaws is to provide the Board of Directors (the Board) governance guidelines in the administration of The Virginia Recreational Facilities Authority (the Authority) as authorized by the Virginia General Assembly (Title 10.1, Chapter 16, §§ 10.1-1600 through 10.1-1622, Code of Virginia).

### **Article II - Authorizations**

Section 1. The Board shall exercise all of the powers and duties of the Authority as set forth in Title 10.1, Chapter 16, section 10.1-1603 of the Code of Virginia.

Section 2. Members of the Board shall adhere to the principles outlined in the State and Local Government Conflict of Interest Act (§ 2.2-3100-3131 of the Code of Virginia) and the Virginia Freedom of Information Act (§ 2.2-3700-3714 of the Code of Virginia).

### **Article III - Mission Statement**

As set forth in the Code of Virginia, section 10.1-1601, the mission of the Authority is to

1. Provide a high quality recreational attraction in the western part of the Commonwealth;
2. Expand the historical knowledge of adults and children;
3. Promote tourism and economic development in the Commonwealth;
4. Set aside and conserve scenic and natural areas along the Roanoke River and preserve open-space lands; and
5. Enhance and expand research and educational programs.

### **Article IV - Board of Trustees, Members**

Section 1. The Authority is governed and administered by a Board of Directors, hereinafter referred to as the Board.

Section 2. The Board consists of 19 members who are appointed as follows: two members of the Senate to be appointed by the Senate Committee on Rules; four members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; and 13 nonlegislative citizen members to be appointed by the Governor, upon consideration of the recommendation of the River Foundation, if any, and subject to confirmation by the General Assembly. Nonlegislative citizen members of the Authority shall be citizens of the Commonwealth.

Section 3. Legislative members shall serve terms coincident with their terms of office. After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of five years. Vacancies in the membership of the Board shall be filled for the unexpired portion of the term in the same manner as original appointments are made. All members may be reappointed.

Section 4. Immediately after appointment, the directors shall enter upon the performance of their duties.

Section 5. The Board may employ an executive director to direct the day-to-day activities of the Authority and carry out the powers and duties delegated to him or her. The executive director shall serve at the pleasure of the Board.

## **Article V - Officers**

Section 1. Chair and Vice-Chair: At the Board's second meeting of each calendar year, the Board shall elect a chair and vice-chair from its members. The Chair shall preside at all meetings of the Board at which he or she is present. The Chair may appoint committees, call special meetings as needed, and shall, in general, be the spokesman for the Board, and perform such other duties as the Board may direct. In the absence of the Chair, the Vice-Chair shall preside at Board meetings and carry out such duties and activities necessary to the Board and the Authority.

Section 2. Secretary: The Board shall also elect annually a secretary, who may or may not be a member of the Board. The secretary shall, in cooperation with the Executive Director and staff, give meeting notices, record and post minutes of all meetings of the Board and committees, and be the keeper of all official documents and correspondence of Board activities.

Section 3. Other officers: The Board may also elect other subordinate officers who may or may not be members of the Board, as it deems proper.

Section 4. Staff: The Board may hire personnel necessary to carry out the business of the Authority with such duties as are prescribed by the Board.

## **Article VI - Committees**

Section 1. Committees of the Board will be considered as Standing and Ad Hoc. All committees and committee chairs shall be appointed by the Board Chair.

### **Section 2. Standing Committees**

The Executive Committee shall consist of the Board Chair, Vice Chair, Secretary, the chairs of standing committees and two other Board members. This Committee shall see to the routine day-to-day operations of the Authority and Board business. The authority of the committee shall be limited to such activities approved by the Board in advance and allowed under state regulations and

policy. The Executive Committee shall report at each regular meeting of the Board all actions that the Executive Committee has taken on behalf of the Board.

The Finance Committee shall consist of three or more members. This committee shall be responsible for reviewing financial reports and developing a budget.

The Buildings and Grounds Committee shall consist of three or more members. This committee shall be responsible for monitoring the park property and overseeing the volunteers who oversee it.

The Governance Committee shall consist of three or more members. This committee is responsible for securing annual financial disclosure statements, establishing bylaws, Board officer elections, and Board member term renewals

### Section 3. Ad Hoc Committees

These committees will be appointed by the Board Chair to address special and specific needs as they should arise.

## **Article VII - Meetings**

Section 1. Location: Meetings will be held at the Blue Ridge Parkway Visitor Center, at the Roanoke County Administration Center, or at such other location as the Board determines. The Board shall give public notice of the date, time, and location of its meetings pursuant to the Virginia Freedom of Information Act (Title 2.2, Chapter 37, §§ 2.2-3700 et seq., Code of Virginia).

Section 2. Frequency: The Board shall meet at least four times a year, at the call of the Chair, or whenever a majority of Board members so request. There shall be a minimum seven days notice for a special called Board meeting.

Section 3. Quorum: Seven directors shall constitute a quorum for the transaction of the business of the Authority, and no vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority (§ 10.1-1602).

Section 4. Procedure: Roberts Rules of Order will be used to determine questions of procedure. The Chair, through the Secretary, shall provide an agenda and meeting materials to Board members at least 10 business days prior to regularly scheduled meetings.

## **Article VIII - Amendments**

These Bylaws, except where mandated by statute, may be amended by a majority vote of the qualified voting members present at any regular Board meeting. Board members will be notified of the nature and effect of any proposed amendment and receive notice two

weeks, or not less than 10 working business days, in advance of the meeting. Any voting Board member may propose an amendment.

## **Article IX. Miscellaneous Provisions**

### SECTION 1. EXPENSES

Board members may be reimbursed for reasonable travel expenses and other expenses incurred in the discharge of their duties. Board members are entitled to a per diem as authorized by the *Code of Virginia*.

### SECTION 2. CONFLICT OF INTEREST

Each Board member is subject to the provisions of the State and Local Government Conflict of Interests Act and must file reports as necessary. (§ 2.2-3114(B), Code of Virginia, as amended).

Adopted July 20, 2010

## VIRGINIA ACTS OF ASSEMBLY -- 2010 SESSION

### CHAPTER 279

*An Act to amend and reenact § 1 of Chapter 655 of the Acts of Assembly of 2008, as amended by Chapter 739 of the Acts of Assembly of 2009, relating to delaying the reversion of property owned by the Virginia Recreational Facilities Authority.*

[H 774]

Approved April 8, 2010

**Be it enacted by the General Assembly of Virginia:**

**1. That § 1 of Chapter 655 of the Acts of Assembly of 2008, as amended by Chapter 739 of the Acts of Assembly of 2009, is amended and reenacted as follows:**

§ 1. That the provisions in § 10.1-1618 of the Code of Virginia requiring a reversion of title to real property from the Virginia Recreational Facilities Authority to the Commonwealth, in the event that the Authority ceases to operate a project, shall not be enforceable until July 1, ~~2010~~ 2011.

**2. That the Virginia Recreational Facilities Authority and Roanoke County shall work with other stakeholders to develop an alternate plan for the appropriate utilization and management of the property. The plan shall be consistent with the mission of the Explore Park and shall include conservation, outdoor recreation, environmental awareness, and public access and utilization of the property. The plan shall also provide ways for the park to become financially independent. The plan shall be completed and transmitted to the Governor and the General Assembly by December 31, 2010.**

## VIRGINIA ACTS OF ASSEMBLY -- 2010 SESSION

### CHAPTER 731

*An Act to amend and reenact § 1 of Chapter 655 of the Acts of Assembly of 2008, as amended by Chapter 739 of the Acts of Assembly of 2009, relating to delaying the reversion of property owned by the Virginia Recreational Facilities Authority.*

[S 502]

Approved April 13, 2010

**Be it enacted by the General Assembly of Virginia:**

**1. That § 1 of Chapter 655 of the Acts of Assembly of 2008, as amended by Chapter 739 of the Acts of Assembly of 2009, is amended and reenacted as follows:**

§ 1. That the provisions in § 10.1-1618 of the Code of Virginia requiring a reversion of title to real property from the Virginia Recreational Facilities Authority to the Commonwealth, in the event that the Authority ceases to operate a project, shall not be enforceable until July 1, ~~2010~~ 2011.

**2. That the Virginia Recreational Facilities Authority and Roanoke County shall work with other stakeholders to develop an alternate plan for the appropriate utilization and management of the property. The plan shall be consistent with the mission of the Explore Park and shall include conservation, outdoor recreation, environmental awareness, and public access and utilization of the property. The plan shall also provide ways for the park to become financially independent. The plan shall be completed and transmitted to the Governor and the General Assembly by December 31, 2010.**