

MOUNTAIN HERITAGE, INC.

"Dedicated to the improvement of education, health and natural resource conservation in the Appalachian Mountains"

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July 26, 2016

Lucy E. Phillips, Esq.
Washington County Attorney
Washington County Courthouse
191 East Main Street
Abingdon VA, 24210

RE: MENDOTA TRAIL AND TAX EXEMPT STATUS

Dear Lucy:

My client Mountain Heritage is requesting exemption from county property taxes regarding the Mendota Trail property conveyed to it by the City of Bristol, Virginia per the deed and tax exempt IRS letter I previously sent to you. The following information is provided in accordance to state statute:

Mountain Heritage, Inc. is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code of 1954.

Alcoholic beverages will be banned from the property as it will be used as publicly accessible biking and hiking trails and related facilities.

No Mountain Heritage director or officer has ever been paid for their services nor will they be paid. No employee, contractor, surveyor, counsel or project manager will be paid more than the normal fees or rates for the Southwest Virginia region to work on the project.

My client has no net earnings as each project is completed with funding designated for that specific project. Rent, clerical staff and office equipment are donated by me. All other projects done by Mountain Heritage are completed with designated private, local, state or federal funding and volunteer help then turned over to local, state or federal entities to own and maintain or contract out the maintenance. This approach allows the group to keep its administrative overhead at a minimum since no person receives a salary or benefits to run the organization. It is a project-driven group and does not have open-ended service or administrative obligations. For example, Mountain Heritage finished the 14-mile Brumley Mountain Trail to the Channels, added signage and a parking area then turned it over to two state agencies and volunteers to maintain.

Mountain Heritage does not donate any funds to political candidates but has occasionally advocated economic development projects in southwest Virginia, laws to protect children, watersheds, and promote good health and outdoor activities. The group, for example, successfully applied for the state purchase of the 4800 acre Channels State Forest and Channels Natural Area Preserve which lies almost entirely in Washington County. No fees were charged for these advocacy efforts.

The Mendota Trail property to be exempted is currently not on the county tax rolls so no existing revenue will be impacted.

SUMMARY:

Once the trail is opened for public use (in phases) the communities through which it runs and the county as a whole will benefit greatly from the impact upon the positive health and welfare status of its citizens, its guests and the tourism dollars generated by

calculating the economic impact of such other facilities in the county, state and nation. The nearest comparable is the Creeper Trail.

If exemption is not approved it is likely the project will not go forward and the land will revert back to the City of Bristol. During the two public hearings the City advertised and held prior to conveying the property to my client no one from Washington County spoke against it. The City gave my client access to hundreds of thousands of dollars worth of legal and engineering work. This information will need updating but at a great savings compared to starting from scratch. The trestles and other infrastructure are deteriorating and any significant delays in starting this project will likely increase the costs to a point that doing so would be cost prohibitive.

Please let me know if more information is needed. Thank you,

Frank Kilgore

FK/tb