
A NARRATIVE CASE STUDY

| What the Foundry Took

City of Radford, Virginia

A Companion Narrative to the Options Analysis

Radford named its own undoing nine years before the state did.



By Tommy N. Turner

Williamsburg and Christiansburg, Virginia

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What the Foundry Took

Radford, Virginia named its own undoing nine years before the state did. The warning is still in the minutes.

The council chamber in Radford holds about sixty people when it is full, and on a Monday night in April 2017 it is not full. A budget hearing on a spring Monday does not draw a crowd. Five seats at the front, a podium in the middle for anyone who wants to speak, and mostly empty chairs.

Mayor Bruce Brown has a prepared statement in front of him, and when his turn comes he reads it in an even voice. He is not a man built for performance. What he reads into the record that night is closer to an accountant's memo than a speech.

"I am unable to support the proposed budget as it continues a trajectory that is not sustainable," he says. "Simply put we remain on a path that draws too heavily from our reserves."

He keeps going, plainly. Years earlier, as Brown tells it, the council made a decision that seemed sound at the time: to feed the city's general fund with profits from the municipal electric utility. He tells the room that power got more expensive after deregulation in 2008 and 2009. He tells them the foundry on West Main Street closed at the end of 2013 and took the city's single largest electricity customer with it. He gives them the running total. The fiscal year now ending will finish about \$1.5 million in the red. The budget on the table assumes another \$3.5 million pulled from reserves to balance the next one. At that pace, he says, the city's reserves across all funds will drop to roughly \$5.5 million.

Then he reaches for the number he wants them to keep. Sixty percent of the real property in Radford, he tells the room, is now not taxable.

Here is the thing Brown is describing, in plainer terms than he uses. Radford is a city that cannot tax enough of its own ground to pay for itself, so it went into the electricity business and ran its government on the markup. For a while that worked the way a crown works. It made a small place sovereign, able to fund its own schools and its own police on the spread between the power it bought wholesale and the power it sold its residents. A crown built from electric load depends on someone buying the load, and the biggest buyer had just gone cold.

The vice-mayor speaks next, a retired Virginia Tech professor named Dick Harshberger, and he agrees. He says this is not a sustainable budget. He says he would vote for a tax increase. He says the city is below where it ought to be on reserves.

Then the council votes. Three in favor: Gropman, Marshall, Turk. Two against: Harshberger and Brown. The budget passes, three to two.

Brown's statement goes into the minutes. So does the vote. The minutes go onto the city's website, where they sit, in sequence with everything that came before them and everything that came after, for nine years before anyone outside the building reads them as a warning.

To understand what Brown meant about the foundry, you have to go back to a building most of Radford only ever called "the foundry," as if there had only ever been one.

There had been four, depending on the year and the paperwork. Pipe Foundry. Special Foundry. Radford Foundry. New River Foundry. In one form or another they had been pouring iron on the same ground at 1701 West Main Street, on the bank of the New River, since the 1890s. By 2000 the operation belonged to Intermet Corporation, which had bought it in 1986 and ran it as New River Castings. About a thousand people worked the site.

At half past nine on the night of Sunday, March 5, 2000, natural gas collects in the basement of the plant. About a hundred people are inside. A worker will later tell the Roanoke Times that they had been warned of a gas buildup.

The gas finds a flame. The blast throws twenty-foot flames over the building and takes out a wall of the main structure. Fire Chief Lee Simpkins, standing in what is left of the core department, describes mass destruction across an area the size of a ballfield and puts the damage above thirty million dollars. The building is still burning when the trucks arrive.

Three workers die. Curtis Grooms is twenty-nine, from Floyd County. Debbie Sheppard is thirty-seven. Karen Anderson Hamilton is thirty-five, and her husband Douglas is on the floor that night too, the two of them married only six months. He walks out. Her body is brought out of the rubble days later.

The state eventually fines the company \$761,000, the largest workplace-safety penalty in Virginia history to that point. People on West Main had spent years complaining about the black dust that settled on their cars and their porches, a grievance state environmental officials had already taken up. After March 5 the dust stops being the thing anyone talks about.

The plant rebuilds. The iron pours again, and it goes on doing the other thing nobody outside city hall thinks about when they think about the foundry. It keeps buying electricity from the City of Radford, in industrial quantities, and the markup on that power keeps flowing into the budget that pays for the town. The foundry was two things at once that almost no one held in mind together. It was where people went to work and sometimes did not come home. It was also, quietly, part of how the city balanced its books. The same furnaces did both.

The iron does not pour much longer. In 2008 Intermet files for bankruptcy, and in 2009 it moves to close the New River Foundry and let its last seventy-six workers go. As the closing is announced, the city manager, Tony Cox, tells a reporter what the plant has quietly meant to Radford's books. Utility sales to the foundry, he says, have bolstered the city's general fund for a long time, though the figure has fallen with production and now comes to less than a tenth of it. A city manager is saying, on the record in 2009, the thing Brown will say to an almost empty room eight years later. The town runs partly on the foundry's electric bill.

The plant gets a reprieve. In 2010 a Virginia holding company, Virginia Casting Industries, buys the shuttered facility and promises to bring it back, pledging three hundred jobs and a \$9.1 million investment. Governor Bob McDonnell's office puts up a \$600,000 grant tied to those milestones, and the city matches it with a \$600,000 electric-utility credit, a \$1.2 million public bet on the foundry's return. VCI never reaches three hundred jobs. In March 2012 it sells the plant to Grede Holdings, a Michigan company that runs sixteen other foundries, and the job promise transfers with the keys.

Grede has owned the place about sixty days when, at a quarter past midnight on Sunday, May 27, 2012, a melting furnace loaded with molten iron lets go. About ten people are on the weekend watch. The blast throws a four-by-eight-foot sheet of metal through the roof, and it lands two hundred yards away. Lee Simpkins, the same fire chief who stood in the wreckage in 2000, calls it the worst he has seen at the plant since. This time no one is hurt.

In September 2013, Grede gives notice. Twenty-eight salaried workers on a Tuesday, two hundred thirty-four hourly workers on the Wednesday. The company blames a lack of competitive cost structure and the lingering damage from the fire. In December the furnaces go cold for good.

The town felt that the way a town feels a factory closing. Jobs gone, a payroll erased, a skyline gone quiet. What the town could not feel, because it does not arrive on any single day, was the other thing leaving: the city's largest electricity account, and with it the biggest single source of the markup the general fund had been living on. The lights in the houses stayed on. The crown lost a stone, and the drawdown it began would take nine years to reach the floor.

Radford is ten square miles on the New River, and it cannot grow. Virginia law freezes the borders of its independent cities, so Radford cannot annex its way out of trouble the way a county can. Inside those ten square miles sits Radford University, the city's largest employer and its pride, founded in 1910, and as a state institution exempt from property tax on a large share of the most valuable land in town. Just outside the line sits the Radford Army Ammunition Plant, a federal facility that has carried the city's name since 1941 and employs much of the New River Valley, and that pays the city, as federal land, nothing. The arsenal gives Radford its name. It does not give Radford its budget.

So the city did the math a cornered small place does. If you cannot tax enough of your ground, you find another stream. Radford is one of only twelve localities in Virginia that buys electricity wholesale from Appalachian Power and resells it to its own residents and businesses at retail. The spread between those two prices became the backbone of the general fund. By the year Brown stood up to read his statement, the city's own budget put the transfer from the Electric Fund to the general fund at just over four million dollars, more than a fifth of all the electricity the city sold, and the budget said in writing why the transfer was necessary: because 54 percent of the city's real estate is not taxable.

Fifty-four. Brown, at the podium, had said sixty. He was not lying and he was not far off. A clear majority of the most valuable land in his city genuinely produced no property tax, which is a

remarkable thing to be true of any place. He had simply rounded up, the way a person rounds up when he is trying to make a room understand something he can see and they will not. The number on the page beside him was fifty-four. The number in his mouth was sixty. The gap between them is the small human distance between a warning and the record that outlives it.

This is the part the later coverage would mostly miss. Radford's trouble was never that it spent wildly or that anyone stole. The trouble was structural and nearly arithmetical: a city-sized government standing on a town-sized tax base, propped up by an electricity markup that depended on industrial customers who were leaving. The taxable base was not even shrinking. Over two decades it grew. What shrank was the markup. The foundry went cold, and the city kept selling power to a customer base that was thinning. The pressure has only grown since. The university, still one of the city's largest electric customers, is now planning its own combined-heat-and-power system that would cut its reliance on the city. And Pulaski County has gone to court to escape a decades-old revenue-sharing agreement worth about two hundred thousand dollars a year to Radford. The city kept selling power. Its biggest customers are looking for the door.

After April 2017, the remarkable thing about Radford is how ordinary the next several years look from the outside, and how clearly the record reads from the inside.

The institutions built to catch a city like Radford each, in turn, looked away. When Grede walked, it left behind that state grant and a job-creation promise it had not kept, and the agency that wrote the grant spent years trying to claw the money back. Grede's lawyer argued the company owed nothing. Sandra McNinch, the agency's general counsel, wrote to a colleague: "Please draft a response letter telling Ms. Williams, in nice language, that she is a moron." The money never came back. The contract had made the City of Radford responsible for collecting not just the state's six hundred thousand dollars but its own matching six hundred thousand, and the city never sued and never pursued its own share. A legislative watchdog report that year found the agency had run for more than two decades without a formal process to protect the state from fraud and loss, that almost half the projects it had funded had failed to meet their terms, and that of twenty-two million dollars owed back by failed deals it had recovered seven million and had not even pursued twenty-three of them. The Radford foundry was one of the defaults.

The budgets keep passing. The reserves keep drawing down. In March 2020, three months past its legal deadline, the city files its annual financial report for 2019, and on page 144 there is an entry labeled Finding 2019-001, a material weakness. It says the treasurer's office, the city's offices, and the school division keep their books on accounting systems that do not talk to each other, and that the gaps between them make it impossible to produce trustworthy financial statements without heavy manual patching. It is the first time in the city's modern history that an outside auditor has said, in writing, that Radford's books cannot be relied on. The same finding appears in the next year's audit, and the next, renumbered each time, through 2024. Same systems. Same gap. Every year.

In the fall of 2023 the city does something Virginia cities almost never do. It takes out a revenue anticipation note, a short-term loan against taxes it expects to collect, for four million dollars. The instrument exists to cover a brief cash gap of a few weeks. Radford's gap is not brief. When a reporter asks the Virginia Municipal League about it, a longtime official there says he has never heard of another locality in the state using such a note this way. He does not say it is illegal. He says it is unprecedented, which from someone who has watched Virginia local government for decades is its own kind of alarm.

In April 2025 the council passes the largest tax-and-fee increase anyone in Radford can remember. The real-estate rate jumps thirteen cents, from sixty-nine to eighty-two, on its way to eighty-four. Personal property up eleven cents. The meals tax up a point, the lodging tax up half a point, water and sewer and trash all up. City employees are told there will be no raise for the third year running. The council members vote to cut their own modest stipends by a tenth.

At the hearing before the vote, residents stand at the podium Brown once read from and say the things people say when a bill they did not run up comes due in their names. That they cannot afford it. That they did not make these decisions, and that the people who did should be the ones to pay. The council members answer the way people answer when they are out of room: nobody wants this, there is no alternative, next year will be worse.

A year later, after the state has finally arrived, sitting council members will tell a reporter that the city manager who ran Radford for fourteen years, David Ridpath, had been bringing them revenue projections that were too optimistic, and that those projections had hidden a structural gap of about four million dollars a year between what the city took in and what it spent. Ridpath, who retired at the end of 2024, does not answer on the record. Neither does the finance director who worked beside him for eighteen years. Neither does the audit firm that wrote the same finding into every report since 2019.

It would be cleaner if there were a villain here, someone who took the money or cooked the books. There is not. The record names a system instead. A revenue decision made years earlier that had made sense at the time. A grant program that could not enforce its own contracts. A council that voted for an unsustainable budget and then did it again, year after year, with people of good faith on both sides of a three-to-two line. An audit that flagged the same failure every spring and set off no consequence. A state that held the power to step in and waited until the ratios crossed a line on a spreadsheet. No single hand. A machine, built wrong, running exactly as it was built.

The line on the spreadsheet was crossed in the fall of 2025.

Virginia had given itself a new tool the year before. After the city of Petersburg nearly collapsed, the General Assembly passed a fiscal-distress statute that told the Auditor of Public Accounts to score every locality's audited finances against a threshold and to sound an alarm when a place crossed it. The threshold is 45 points. On November 12, 2025, the auditor notified Radford that its score had reached 88.33, nearly double the line, up from 70 the year before. The letter listed the reasons in language that could have come from Brown's statement eight

years earlier: a structurally unbalanced budget, revenue projections too optimistic, an unusual short-term loan, and growing unpaid bills to the company that sells the city its wholesale power.

On March 26, 2026, the auditor sent a second letter, a formal recommendation that the Commonwealth step in, addressed to Governor Spanberger and the chairs of the legislature's money committees. By spring the story was everywhere in Virginia. Cardinal News reported that the city had fallen more than four months behind paying Appalachian Power, and that the unpaid balance had reached six and a half million dollars, against electricity Radford had already sold to its own residents.

Bruce Brown was right. That is the plain finding of the record, and it is a strange kind of vindication, because being right cost him a three-to-two vote in 2017 and changed nothing for nine years. He had stood in a nearly empty room and read the mechanism of the city's undoing into the minutes, the electricity subsidy and the lost foundry and the untaxable ground, and the council had thanked him and passed the budget, and the minutes had gone up on the website, and the city had gone on selling power and drawing down its reserves until the math arrived where he said it would.

The record was never sealed. Every document in this story has been on the public web the whole time. The minutes of April 17, 2017. The audit finding that repeats from 2019 onward. The budget that admits, in the city's own words, that the transfer is necessary because more than half the land cannot be taxed. The reporting on the unprecedented note. The auditor's letters. Nobody had to leak anything. The warning was filed, in order, where anyone could read it, and for nine years the answer to it was a budget vote.

The foundry is gone now. The buildings on West Main came down, and the land, a hundred and thirty years of poured iron and the lead and PCBs that soaked into the ground beneath it, was deeded to the city for a dollar. It has been a federal cleanup priority since the year of the explosion. The city is betting that the same ground that broke its budget when it emptied can be scrubbed and filled again with tenants who pay tax and draw power, and it has a three-and-a-half-million-dollar grant to try. Part of the parcel sits in a federal floodway. It is a real bet and a slow one, and even if it pays, it does not on its own close the four-million-dollar gap.

What the foundry took, in the end, was more than three lives in a basement in 2000 and more than two hundred jobs in 2013. It took the quiet arrangement that let a small place on the New River wear a crown it could not otherwise afford. Brown watched the stone fall out. He said so, in an even voice, to a room that wasn't listening, and the saying of it is still there in the minutes, in sequence, waiting the way it has waited all along for someone to read it in time.

Tommy N. Turner of Christiansburg is a researcher whose work on institutional governance and Virginia policy has appeared in the Richmond Times-Dispatch, the Virginian-Pilot, the Roanoke Times, and Virginia Mercury.

*A note on sources: every quotation, vote, figure, and date in this piece is drawn from public records published by the City of Radford, the Virginia Auditor of Public Accounts, the Federal

Audit Clearinghouse, and the Virginia Department of Labor and Industry, and from contemporaneous reporting by The Roanoke Times and Cardinal News. The 2004 origin of the electric-fund subsidy is given as Mayor Brown described it in 2017; the city's online minutes begin in July 2012, and the u

Note on this version (1.1): an earlier version stated that Radford University had built its own cogeneration plant and stopped buying electricity from the city, and placed the Pulaski County revenue-sharing dispute in the mid-2010s. Both have been corrected. The university's combined-heat-and-power system is a planned project still under environmental review, and the university remains a city electric customer; the Pulaski dispute is a current matter in litigation.