

Danville-Pittsylvania Regional Industrial Facility Authority

**City of Danville, Virginia
County of Pittsylvania, Virginia**

AGENDA

September 8, 2014

12:00 P.M.

**Danville Regional Airport
Eastern Conference Room
424 Airport Drive, Danville, Virginia**

County of Pittsylvania Members

**Coy E. Harville, Chair
James H. Snead
Jerry A. Hagerman, Alternate**

City of Danville Members

**Sherman M. Saunders, Vice Chair
Fred O. Shanks, III
J. Lee Vogler, Jr., Alternate**

Staff

**Joseph C. King, City Manager, Danville
Clarence C. Monday, Pittsylvania County Administrator
Clement & Wheatley, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

Members of the public who desire to comment on a specific agenda item will be heard during this period. The Chair/Vice Chair of the Authority may restrict the number of speakers. Each speaker shall be limited to a total of three minutes for comments. (Please note that the public comment period is not a question-and-answer session between the public and the Authority.)

4. APPROVAL OF MINUTES FOR THE AUGUST 11, 2014 MEETING

5. NEW BUSINESS

- A. Update on existing industries within the Authority's projects – Telly D. Tucker, Director of Economic Development, City of Danville
- B. Update on the Authority's Berry Hill Road Industrial Park project
 - 1. Update on permit application - Richard Drazenovich, P.E., Director of Public Works, City of Danville, and Shawn R. Harden, P.E., Dewberry Engineers, Inc.
 - 2. General discussion with members of Tobacco Indemnification and Community Revitalization Commission
- C. Consideration of Resolution No. 2014-09-08-5C, approving Amendment No. 8 to Contract dated February 9, 2009 - Engineering Services Related to The Mega Park Master Plan - Additional Wetland Delineation Services, with Dewberry Engineers Inc., a New York corporation, for additional wetland delineation and survey for an aggregate lump sum of \$390,323.50 - Joseph C. King, City Manager, City of Danville, and Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County
- D. Consideration of Resolution No. 2014-09-08-5D, approving proposal dated August 11, 2014, revised August 26, 2014, with Dewberry Engineers Inc., a New York corporation, to prepare the necessary documents for the complete removal of the dam and pond in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, at a lump sum of \$6,500 – Mr. Drazenovich and Mr. Harden
- E. Financial Status Report as of August 31, 2014 – Michael L. Adkins, Authority Treasurer, and Patricia K. Conner, CPA, Danville Senior Accountant

Danville-Pittsylvania Regional Industrial Facility Authority

6. **COMMUNICATIONS:**

Jerry A. Hagerman
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.
Staff

7. **ADJOURN**

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

| | |
|-------------------------|--------------------------------------|
| Agenda Item No.: | 4 |
| Meeting Date: | 9/08/2014 |
| Subject: | Meeting Minutes |
| From: | Susan M. DeMasi, Authority Secretary |

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, August 11, 2014 meeting.

ATTACHMENTS Meeting Minutes – 8/11/14

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 11, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Coy E. Harville, James Snead and Alternate Jerry A. Hagerman.

City/County staff members attending were: City Manager Joe King, Deputy City Manager Ken Larking, County Administrator Clarence C. Monday, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Interim Finance Director/Authority Treasurer Michael Adkins, Director of Public Works Ric Drazenovich, Director of Economic Development Telly Tucker, City of Danville Senior Accountant Patricia Connor, Project Manager Corrie Teague, Clement & Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Dewberry and Davis Project Manager Shawn Harden.

Chairman Coy Harville introduced Telly Tucker, City of Danville's Economic Development Director and Clarence Monday, County Administrator for Pittsylvania County. Mr. Harville also welcomed Patricia Connor back.

PUBLIC COMMENT PERIOD

Bruce Hedrick with Southside Central.com appeared before the Authority to tell the RIFA board and staff that he will now be doing live coverage of the RIFA meetings.

APPROVAL OF MINUTES FOR THE JUNE 9, 2014 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Snead, Minutes of the June 9, 2014 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. – UPDATE ON EXISTING INDUSTRIES WITHIN THE AUTHORITY'S PROJECTS

Director of Economic Development Telly Tucker gave a brief report to the RIFA board noting U.S. Green Energy is now manufacturing on a limited basis three days per week, one shift. They are manufacturing photovoltaic products, lighting equipment, roofing products and some solar panel products as well. Zeyuan Flooring has assumed a lease from GOK and are expected to set up their manufacturing facility early in 2015. GOK is currently reorganizing and will still have a presence in that facility as well. IKEA and Elkay are both reporting positive business activity at their respective locations.

5B. CONSIDERATION – RESOLUTION NO. 2014-08-11-5B – RATIFYING THE 2014 LEASE RENEWAL – HUNTING LEASE AGREEMENT WITH JAY VANN CLODFELTER AND BRENT CLODFELTER

Mr. Shanks **moved** adoption of Resolution No. 2014-08-11-5B, *ratifying that certain 2014 Lease Renewal of that certain Hunting Lease Agreement with Jay Vann Clodfelter and Brent*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 11, 2014

Clodfelter as tenants for an aggregate of 561.13 acres, more or less (GPINs 1366-16-2959 and 1367-01-8739), in the Authority's Berry Hill Industrial Park project in Pittsylvania County, Virginia, for a one-year renewal term at the same rental amount of \$2,000, subject to a 60-day early termination right by the Authority, a right by the Authority to show the property upon 24 hours notice and the obligation of tenants to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law.

The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5C. CONSIDERATION – RESOLUTION NO. 2014-08-11-5C – APPROVING RENEWAL OF AUTHORITY'S MEMBER AGREEMENT WITH VML INSURANCE

Ms. Conner noted the changes are mostly administrative in nature from the VML side. Mr. Harville asked Ms. Connor if staff checked with VACO. Ms. Connor noted staff did look at that last year and VML was still the better coverage for the price; staff did not re-look at that again this year.

Mr. Snead **moved** adoption of *Resolution No. 2014-08-11-5C, (i) approving renewal of the Authority's Member Agreement in order to continue participation with VML Insurance Programs that cover the Authority and its property; and (ii) authorizing, consenting and/or ratifying the execution of all necessary documents pertaining thereto, including without limitation that certain Amended and Restated Member Agreement dated as of July 1, 2014 and those certain Amended and Restated VML Insurance Programs Bylaws dated as of July 1, 2014.*

The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5D. FINANCIAL STATUS REPORT AS OF MAY 31, 2014

Authority Treasurer Michael Adkins noted there was only one expenditure for the current month of \$26.10 for the Utility bill. In addition to that, normal rents and lease payments for July 2014 were received.

Mr. Saunders **moved** to approve the Financial Report as of July 31, 2014 as presented. The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5E. REPORT BY DEWBERRY ENGINEERS INC. ON OPTIONS FOR DAM LOCATED IN THE AUTHORITY'S CANE CREEK PROJECT

Dewberry Engineer Shawn Harden noted this matter refers to the pond located behind the old Hughes home, the Lake House. DCR recently did a desktop review of ponds in Virginia and they tagged this pond as possibly meeting the requirements covered by the dam safety regulations. Mr. Harden noted he has done a desktop review and that the dam is either 24 or 26 feet tall; the cutoff is 25 feet. There is two different regulations: if the dam is over 25 feet tall and holds back 15 acre feet of water, or under 25 feet tall and holds back 50 acre feet of water it is regulated under the Dam Safety Regulations. Based on the desktop review, staff is unable to determine whether or not it is regulated.

The Board has two options: they can survey the dam, do a bathymetric survey of the bottom to determine the volume of the pond and come up with options to lower the dam and the water volume so that it is not regulated. The other option is RIFA can apply for a permit from DEQ and Corp, remove the dam and restore it back to a stream channel. To do the survey to determine whether it is regulated, a letter report to give options and some cost estimates on what can be done with that dam, RIFA's cost will be about \$15,500. To do the permit application saying the Authority doesn't want the dam, would be about \$6,500.

Mr. Harville stated he was in favor of removing the dam and questioned if the Authority could receive wetland credits. Mr. Harden noted he believed the Authority would have the option to get a few stream channel credits for restoring that stream back to its original condition but it might not be cost effective to do that. The simplest and cheapest thing for the board to do is to breach dam and let it naturally go back to its existing stream channel. Mr. Drazenovich stated he believed it is more of a liability to keep it in place and recommended taking it out and just restore it back to its natural condition and let it go. Mr. Sides noted he believed staff is in full agreement on this. Mr. Harden briefly explained the process to breach the dam. In response to Mr. Shanks, Mr. Harden noted it was a simple permit with the Corp; writing a letter telling them that the Authority feels the dam is unstable and they want to breach it. There will be a few discussions with DCR to make sure they don't want to put any qualifications on it and make sure the Corp is okay with it.

Mr. Snead **moved** to authorized the staff to move forward with the permits and report back to the Board. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5F. CONSIDERATION – RESOLUTION 2014-08-11-5F – AUTHORIZING CHAIRMAN OR VICE CHAIRMAN OF AUTHORITY TO EXECUTE U.S.D.A TRACT REDISTRIBUTION FORMS

Mr. Sides explained this is a routine housekeeping matter by the US Department of Agriculture to update their records. Mr. Sides noted he had asked the County's Agricultural Development Director to follow up on this with the USDA and he verified that the Authority needs to authorize the chairman to sign the forms and send them back to USDA.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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Mr. Saunders **moved** adoption of *Resolution No. 2014-08-11-5F, authorizing the Chairman and the Vice Chairman of the Authority, either of whom may act independently of the other, to execute those certain U.S. Department of Agriculture Tract Redistribution Forms for Tract Numbers 7408 and 7359 (Farm Serial Number 13313), located in the Authority's Berry Hill Industrial Park Project, pertaining to farm tract acreage and certain crops.*

The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

6. CLOSED SESSION

Chairman Harville noted that during the Closed Session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.

A. At 12:30, Mr. Snead **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement Wheatley, and briefings by the Authority staff or consultants pertaining to probable litigation on a contract matter, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority. "Probable litigation" means litigation on which the Authority's legal counsel has a reasonable basis to believe will be commenced against a known party.

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

On **Motion** by Mr. Saunders and **second** by Mr. Snead and by unanimous vote at 1:50 p.m., the Authority returned to open meeting.

Mr. Shanks **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
August 11, 2014

identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

6D. CONSIDERATION – RESOLUTION 2014-08-11-6A – NO ACTION TAKEN

COMMUNICATIONS

There were no communications from the RIFA board and staff.

MEETING ADJOURNED AT 1:53 P.M.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

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| Agenda Item No.: | 5-A |
| Meeting Date: | 9/08/2014 |
| Subject: | Update on Existing Industries |
| From: | Telly D. Tucker, Director of Economic Development |

SUMMARY

During the September 8, 2014 meeting, the Authority will receive an update from the Danville Economic Development Director on existing industries within the Authority's projects.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

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| Agenda Item No.: | 5-B-1 |
| Meeting Date: | 09/08/2014 |
| Subject: | Update on Permit Application – Berry Hill Road |
| From: | Richard Drazenovich, P.E., Director of Public Works, City of Danville and Shawn R. Harden, P.E., Dewberry Engineers, Inc. |

SUMMARY

During the September 8, 2014, the Authority will receive an update on the Berry Hill Road Industrial Park project permit application.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

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| Agenda Item No.: | 5-B-2 |
| Meeting Date: | 09/08/2014 |
| Subject: | Discussion with Members of the Tobacco Commission |
| From: | Corrie Teague, Economic Development Project Manager, City of Danville |

SUMMARY

During the September 8, 2014 meeting, the Authority will participate in a General Discussion with members of the Tobacco Indemnification and Community Revitalization Commission.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

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| Agenda Item No.: | 5-C |
| Meeting Date: | 9/08/2014 |
| Subject: | Amendment No. 8 to Contract with Dewberry Engineers |
| From: | Joseph C. King, City Manager; Gregory L. Sides, Assistant County Administrator, Pittsylvania County |

SUMMARY

Attached for the Board's review and approval is Resolution No. 2014-09-08-5C approving Amendment No. 8 to Contract dated February 9, 2009 – Engineering Services Related to The Mega Park Master Plan – Additional Wetland Delineation Services – Dewberry Engineers Inc.

ATTACHMENT

Resolution 2014-09-08-5C

A RESOLUTION APPROVING AMENDMENT NO. 8 TO CONTRACT DATED FEBRUARY 9, 2009 - ENGINEERING SERVICES RELATED TO THE MEGA PARK MASTER PLAN - ADDITIONAL WETLAND DELINEATION SERVICES, WITH DEWBERRY ENGINEERS INC., A NEW YORK CORPORATION, FOR ADDITIONAL WETLAND DELINEATION AND SURVEY FOR AN AGGREGATE LUMP SUM OF \$390,323.50.

WHEREAS, the Danville-Pittsylvania Regional Industrial Facility Authority (the “**Authority**”) is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

WHEREAS, the Authority received approval from the Tobacco Indemnification and Community Revitalization Commission Tobacco Commission (the “**Tobacco Commission**”) in Fiscal Year 2012 of Grant #2491 for Site Development of Lot 4 in the Authority's Berry Hill Industrial Park project (the “**Berry Hill Project**”) located in Pittsylvania County, Virginia; and

WHEREAS, the Authority adopted Resolution No. 2014-04-14-5B to reallocate Grant #2491 from the Tobacco Commission, allowing locally committed funds to be utilized for environmental permitting and other engineering services, and to approve certain contract amendments (#4 through #7, inclusive) to Contract dated February 9, 2009 - Engineering Services Related to the Mega Park Master Plan, with Dewberry Engineers, Inc., a New York corporation (“**Dewberry Engineers**”); and

WHEREAS, the Authority finds that to further develop Lot 4 and to support a permit application to the U.S. Army Corps of Engineers, additional wetland delineation services and survey from Dewberry Engineers were required, as more particularly set forth in that certain Amendment No. 8 to Contract dated February 9, 2009 - Engineering Services Related to the Mega Park Master Plan - Additional Wetland Delineation Services, with Dewberry Engineers Inc., a New York corporation, a copy of which is attached as **Exhibit A**, incorporated herein by this reference (“**Amendment No. 8**”); and

WHEREAS, the required work described under Amendment No. 8 was completed, but prior to the adoption of Amendment No. 8 by the Authority; and

WHEREAS, under Amendment No. 8, the aggregate lump sum fee is shown to be \$780,647.00; however, after the Authority’s negotiations with Dewberry Engineers, Dewberry Engineers, as a good faith gesture and to settle with the Authority on work performed and sums owed under Amendment No. 8, is agreeable to the aggregate lump sum of \$390,323.50 (i.e., a 50% reduction); and

WHEREAS, the Board of Directors of the Authority has hereby determined, in open session, that Amendment No. 8, in furtherance of Lot 4’s development in the Berry Hill Project and to settle matters with Dewberry Engineers, serves the purpose of the Authority to enhance the economic base of the City of Danville and Pittsylvania County by developing, owning, and operating the Berry Hill Project on a cooperative basis involving the City and the County, and

Resolution No. 2014-09-08-5C

that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to authorize, approve, execute and adopt in all respects Amendment No. 8.

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

1. The Authority hereby authorizes and directs its Chairman and/or Vice Chairman, either of whom may act independently of the other, to execute and deliver, and otherwise pursue, Amendment No. 8, together with such further amendments, deletions or additions to Amendment No. 8 as may be approved by its Chairman or Vice Chairman (as the case may be), and such execution of the same by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of any further amendments, deletions or additions thereto.

2. The Authority hereby authorizes its Chairman and Vice Chairman, either of whom may act independently of the other, to execute and deliver such other documents in connection with Amendment No. 8, as may be approved by its Chairman or Vice Chairman (as the case may be), such execution by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of such other documents.

3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by Amendment No. 8 or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of this Resolution.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to Amendment No. 8 and the matters contemplated in this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on September 8, 2014, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 8th day of September 2014.

SUSAN M. DeMASI, Secretary
Danville-Pittsylvania Regional Industrial Facility
Authority

(SEAL)

Exhibit A

[Amendment No. 8]

March 24, 2014
Revised July 15, 2014

Mr. Coy E. Harville
Chairman
Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)
P.O. Box 3300
Danville, Virginia 24543

**RE: Amendment #8 to Contract Dated February 9, 2009
Engineering Services Related to the Mega Park Master Plan
Additional Wetland Delineation Services**

Dear Mr. Harville:

As part of the Master Plan development, Phase 1 of Dewberry Engineers Inc.'s (Dewberry) scope of services for the Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) focused on conducting environmental, archeological, and geotechnical surveys for 1,500 acres (Phase 1) of the Mega Park on Berry Hill road. Phase 2 of the contract advanced the environmental, archeological, and geotechnical investigations to include the remaining 2,000 acres of the park and to prepare applications for the required U.S. Army Corps of Engineers (USACE) and Virginia Department of Environmental Quality (VDEQ) permits to allow for development of the entire \pm 3,500 acre Mega Park.

Our efforts in preparing similar services for the Cane Creek Centre project were used as a basis for determining the scope of services on the Mega Park project. During the course of our work on the Mega Park, significant changes were made by the USACE as to how wetlands and waters of the United States are regulated and permitted. The result of these changes has led to a significant amount of additional effort to comply with these changes.

SCOPE OF SERVICES

Dewberry requests reimbursement for the following additional services:

I. Additional Wetland Delineation

Dewberry's original contract for the Phase 1 and 2 wetland delineation services included a total of 215,000 LF of wetland perimeter and stream channel being flagged for the entire \pm 3,500 acre Mega Park. The total amount of wetland perimeter and stream channel flagged to date by Dewberry at the Mega Park is 449,430 LF. The additional wetlands flagged for the project is 234,430 LF.

FEE: \$443,070 Lump Sum

II. Additional Wetland Delineation Survey

Dewberry's original contract for the Phase 1 and 2 wetland delineation survey services included a total of 215,000 LF of wetland perimeter and stream channel to be surveyed for the entire \pm 3,500 acre Mega Park. The total amount of wetland perimeter and stream channel surveyed to date by

Mr. Coy E. Harville
March 24, 2014
Revised July 15, 2014
Page 2

Dewberry at the Mega Park is 449,430 LF. The additional wetlands surveyed for the project is 234,430 LF.

FEE: \$337,577 Lump Sum

FEES

Below is a summary of fees for the respective services listed above:

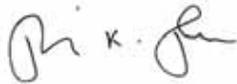
1. Additional Wetland Delineation FEE: \$443,070 Lump Sum
2. Additional Wetland Delineation Survey FEE: \$337,577 Lump Sum

TOTAL: \$780,647 Lump Sum

As a good faith gesture in recognition of our long standing partnership with the City and County and in recognition of current funding available for the project, Dewberry agrees to reduce the fees owed for the work referenced above by 50%. Therefore the total fee requested is \$390,323.50.

Again, we appreciate the opportunity to submit this contract amendment and look forward to continuing to work with you on this project. Please do not hesitate to call if you have questions or wish to discuss the Proposal or project further. The return of an executed copy of this proposal will serve as our authorization to proceed.

Sincerely,
Dewberry Engineers Inc.



Brian K. Bradner, PE, CPESC
Associate Vice President
Office Manager



Darren R. Conner, PE
President

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The foregoing Contract Amendment of Dewberry Engineers Inc. is accepted:

Print (Type) Individual, Firm, or Corporate Name

Signature of Authorized Representative Date

Print (Type) Name of Authorized Representative and Title

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: 5-D
Meeting Date: 9/08/2014
Subject: Removal of Dam and Pond at Cane Creek Centre
Richard Drazenovich, P.E., Director of Public Works, City of
From: Danville and Greg L. Sides Assistant County Administrator,
Pittsylvania County

SUMMARY

Attached for the Board's review and approval is Resolution No. 2014-09-08-5D approving proposal with Dewberry Engineers, Inc., to prepare necessary documents for complete removal of dam and pond at Cane Creek Centre.

ATTACHMENT

Resolution 2014-09-08-5D will be provided to Members at the Meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:

Meeting Date: 09/08/2014

Subject: Financial Status Reports – August 31, 2014

From: Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through August 31, 2014 will be provided at the meeting. The financial status reports as of August 31, 2014 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of August 31, 2014 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2014
- C. General Expenditure for FY 2015
- D. Mega Park – Funding Other than Bond Funds
- E. Berry Hill Mega Park – Lot 4 Site Development
- F. Rent, Interest, and Other Income Realized
- G. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority
\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 ⁷
As of August 31, 2014

| Funding | Funding | Budget / Contract Amount | Expenditures | Encumbered | Unexpended / Unencumbered |
|---|------------------------|-------------------------------------|------------------------|---------------------|--------------------------------------|
| Funds from bond issuance | \$ 7,300,000.00 | | | | |
| Issuance cost | (155,401.33) | | | | |
| Refunding cost ⁷ | (52,500.00) | | | | |
| Bank fees | (98.25) | | | | |
| Interest earned to date | 486,581.70 | | | | |
| Cane Creek Parkway ³ | | \$ 3,804,576.00 | \$ 3,724,241.16 | \$ - | |
| Swedwood Drive ² | | 69,414.00 | 69,414.00 | - | |
| Cane Creek Centre entrance ³ | | 72,335.00 | 53,878.70 | - | |
| Financial Advisory Services | | 9,900.00 | 9,900.00 | - | |
| Dewberry contracts ¹ | | 69,582.50 | 69,582.50 | - | |
| Dewberry contracts not paid by 1.7 grant ^{4,5} | | 71,881.00 | 21,529.12 | 50,351.88 | |
| Land | | - | 2,793,012.60 | - | |
| Demolition services | | 71,261.62 | 71,261.62 | - | |
| Legal fees | | - | 55,344.30 | - | |
| CCC - Lots 3 & 9 project - RIFA Local Share ⁶ | | 142,190.00 | 112,464.98 | - | |
| Other expenditures | | - | 327,319.70 | - | |
| Total | \$ 7,578,582.12 | \$ 4,311,140.12 | \$ 7,307,948.68 | \$ 50,351.88 | \$ 220,281.56 |

notes:

¹ Dewberry Contracts consist of wetland, engineering, surveying and site preparation

² Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive

³ Project completed under budget

⁴ In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

⁴ These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

⁵ The budget amount decreased \$71,279.61 from the September 30, 2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

⁶ This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

⁷ The \$7.3 million bonds were refunded on August 1, 2013 with the issuance of refunding bonds in the amount of \$5,595,000.

| Road Summary-Cane Creek Parkway: | |
|---|------------------------|
| English Contract-Construction | \$ 5,363,927.00 |
| Change Orders | 165,484.50 |
| Expenditures over contract amount | 3,579.50 |
| (Less) County's Portion of Contract | (935,207.00) |
| (Less) Mobilization Allocated to County | (9,718.00) |
| Portion of English Contract Allocated to RIFA | 4,588,066.00 |
| Dewberry Contract-Engineering | 683,850.00 |
| Total Road Contract Allocated to RIFA | \$ 5,271,916.00 |

| Funding Summary - Cane Creek Parkway | |
|---|------------------------|
| VDOT | \$ 1,467,340.00 |
| Bonds | 3,804,576.00 |
| | \$ 5,271,916.00 |

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2014

As of August 31, 2014

| | <u>Funding</u> | <u>Budget</u> | <u>Expenditures</u> | <u>Encumbered</u> | <u>Unexpended / Unencumbered</u> |
|---------------------------------|----------------|---------------|---------------------|-------------------|--------------------------------------|
| Funding | | | | | |
| City Contribution | \$ 75,000.00 | | | | |
| County Contribution | 75,000.00 | | | | |
| Carryforward from FY2013 | 66,686.06 | | | | |
| Contingency | | | | | |
| Miscellaneous contingency items | | \$ 81,786.06 | \$ 382.78 | \$ - | \$ 81,403.28 |
| Total Contingency Budget | | 81,786.06 | 382.78 | - | 81,403.28 |
| Legal | | | | | |
| | | 100,000.00 | 75,534.72 | - | 24,465.28 |
| Accounting | | | | | |
| | | 18,900.00 | 18,500.00 | - | 400.00 |
| Annual Bank Fees | | | | | |
| | | 4,600.00 | 500.00 | - | 4,100.00 |
| Postage & Shipping | | | | | |
| | | 100.00 | - | - | 100.00 |
| Meals | | | | | |
| | | 4,800.00 | 4,235.27 | - | 564.73 |
| Utilities | | | | | |
| | | 500.00 | 310.04 | - | 189.96 |
| Insurance | | | | | |
| | | 6,000.00 | 2,416.00 | - | 3,584.00 |
| Total | \$ 216,686.06 | \$ 216,686.06 | \$ 101,878.81 | \$ - | <u><u>\$ 114,807.25</u></u> |

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2015

As of August 31, 2014

| | <u>Funding</u> | <u>Budget</u> | <u>Expenditures</u> | <u>Encumbered</u> | <u>Unexpended / Unencumbered</u> |
|---------------------------------|----------------|---------------|---------------------|-------------------|--------------------------------------|
| Funding | | | | | |
| City Contribution | \$ 75,000.00 | | | | |
| County Contribution | 75,000.00 | | | | |
| Carryforward from FY2014 | 114,807.25 | | | | |
| Contingency | | | | | |
| Miscellaneous contingency items | | \$ 137,007.25 | \$ - | \$ - | \$ 137,007.25 |
| Total Contingency Budget | | 137,007.25 | - | - | 137,007.25 |
| Legal | | | | | |
| | | 100,000.00 | - | - | 100,000.00 |
| Accounting | | | | | |
| | | 19,600.00 | - | - | 19,600.00 |
| Annual Bank Fees | | | | | |
| | | 600.00 | - | - | 600.00 |
| Postage & Shipping | | | | | |
| | | 100.00 | - | - | 100.00 |
| Meals | | | | | |
| | | 4,000.00 | - | - | 4,000.00 |
| Utilities | | | | | |
| | | 500.00 | 26.49 | - | 473.51 |
| Insurance | | | | | |
| | | 3,000.00 | - | - | 3,000.00 |
| Total | \$ 264,807.25 | \$ 264,807.25 | \$ 26.49 | \$ - | <u><u>\$ 264,780.76</u></u> |

Danville-Pittsylvania Regional Industrial Facility Authority
Mega Park - Funding Other than Bond Funds
As of August 31, 2014

| Funding | Funding | Budget / Contract Amount | Expenditures | Encumbered | Unexpended / Unencumbered |
|---|-------------------------|-------------------------------------|-------------------------|---------------------|--------------------------------------|
| City contribution | \$ 134,482.50 | | | | |
| County contribution | 134,482.50 | | | | |
| City advance for Klutz, Canter, & Shoffner property ^{1,4} | 10,340,983.83 | | | | |
| Tobacco Commission FY09 SSED Allocation | 3,370,726.00 | | | | |
| Tobacco Commission FY10 SSED Allocation - Engineering Portion | 407,725.00 | | | | |
| Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated | (244,797.00) | | | | |
| Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵ | 76,067.61 | | | | |
| Additional funds allocated by RIFA Board on 1/14/2013 ⁶ | 11,854.39 | | | | |
| Land | | | | | |
| Klutz property | | \$ 8,394,553.50 | \$ 8,394,553.50 | \$ - | |
| Canter property ² | | 1,200,000.00 | 1,200,000.00 | - | |
| Adams property | | 37,308.00 | 37,308.00 | - | |
| Carter property | | 5,843.00 | 5,843.00 | - | |
| Jane Hairston property | | 1,384,961.08 | 1,384,961.08 | - | |
| Bill Hairston property | | 201,148.00 | 201,148.00 | - | |
| Shoffner Property | | 1,872,896.25 | 1,872,896.25 | - | |
| Other | | | | | |
| Dewberry & Davis | | 29,465.00 | 28,965.00 | 500.00 | |
| Dewberry & Davis ³ | | 990,850.00 | 972,754.29 | 18,095.71 | |
| Consulting Services - McCallum Sweeney ⁷ | | 115,000.00 | 103,796.85 | - | |
| Total | \$ 14,231,524.83 | \$ 14,232,024.83 | \$ 14,202,225.97 | \$ 18,595.71 | \$ 10,703.15 |

¹ This figure does not include the interest the City lost from the uninvested funds, which was paid to the City 1/3/2012 and totaled \$144,150.41.

² Settlement fees were drawn from bonds issued for the Berry Hill project 12/1/2011.

³ This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

⁴ RIFA paid the City back for all advances on 1/3/2012.

⁵ The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

⁶ Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

⁷ Unencumbered the remaining \$11,203.15 due to termination of contract.

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of August 31, 2014

| <u>Funding</u> | <u>Funding</u> | <u>Budget / Contract Amount</u> | <u>Expenditures</u> | <u>Encumbered</u> | <u>Unexpended / Unencumbered</u> |
|--|------------------------|--|----------------------------|--------------------------|---|
| Tobacco Commission FY12 Megasite Allocation | \$ 6,208,153.00 | | | | |
| Local Match for TIC FY12 Megasite Allocation - County Portion ¹ | 750,000.00 | | | | |
| Local Match for TIC FY12 Megasite Allocation - City Portion ¹ | 750,000.00 | | | | |
| Local Match for TIC FY12 Megasite Allocation - RIFA Portion ² | 181,000.00 | | | | |
| <u>Expenditures</u> | | | | | |
| Dewberry Engineers Inc. | | 1,268,487.00 | 442,607.90 | 825,879.10 | |
| Jones Lang LaSalle | | 95,000.00 | 95,000.00 | - | |
| Jones Lang LaSalle - Economic Analysis | | 12,000.00 | - | 12,000.00 | |
| VA Water Protection Permit Fee | | 57,840.00 | 57,840.00 | - | |
| Wetlands Studies and Solutions, Inc. | | 150,000.00 | 49,436.81 | 100,563.19 | |
| Total | \$ 7,889,153.00 | \$ 1,583,327.00 | \$ 644,884.71 | \$ 938,442.29 | <u>\$ 6,305,826.00</u> |

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014.

² The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of August 31, 2014

| Source of Funds | Funding | | | Expenditures FY2015 | Unexpended / Unencumbered |
|--|-----------------------------|--|--------------------|------------------------|------------------------------|
| | Carryforward from FY2014 | Current Month | Receipts FY2015 | | |
| <u>Carryforward</u> | \$ 429,892.53 | | | | |
| <u>Current Lessees</u> | | | | | |
| | <u>Park</u> | <u>Property</u> | | | |
| Institute for Advanced Learning and Research (IALR) ¹ | Cyberpark | Hawkins Research Bldg. at 230 Slayton Ave. | \$ - | \$ 6,673.24 | |
| Institute for Advanced Learning and Research (IALR) | Cyberpark | IALR Building at 150 Slayton Ave. | - | - | |
| Securitas | Cyberpark | Gilbert Building at 1260 South Boston Rd. | 300.00 | 600.00 | |
| Guilford Whitetail Management | Berry Hill | Klutz Farm off State Rd. 863/U.S. 311 | - | - | |
| Mountain View Farms of Virginia, L.C. | Berry Hill | 30 acre tract on Stateline Bridge Rd. | - | - | |
| Osborne Company of North Carolina, Inc. | Berry Hill | 4380 Berry Hill Road Pastureland | - | - | |
| Clodfelter Hunting Lease | Berry Hill | 371.13 acres off State Road 863 | - | 2,000.00 | |
| <u>Total Rent</u> | | | \$ 300.00 | \$ 9,273.24 | |
| <u>Interest Received</u> ² | | | \$ 88.21 | \$ 172.66 | |
| <u>Expenditures</u> | | | | \$ 6,673.24 | |
| Hawkins Research Bldg. Property Mgmt. Fee | | | | | |
| Totals | \$ 429,892.53 | \$ 388.21 | \$ 9,445.90 | \$ 6,673.24 | \$ 432,665.19 |

Restricted ¹ \$ 357,391.06
Unrestricted \$ 75,274.13

¹ Please note that rent proceeds must be used in accordance with the U.S. Economic Development Administration's (EDA) Standard Terms and Conditions

² Please note that this is only interest received on RIFA's general money market account.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position^{1,2}
August 31, 2014*

| | Unaudited FY 2015 |
|--|------------------------------|
| Assets | |
| <i>Current assets</i> | |
| Cash - checking | \$ 1,214,964 |
| Cash - money market | 1,141,803 |
| <i>Total current assets</i> | 2,356,767 |
| <i>Noncurrent assets</i> | |
| Restricted cash - project fund CCC bonds | 286,833 |
| Restricted cash - debt service fund CCC bonds | 1,086,728 |
| Restricted cash - debt service fund Berry Hill bonds | - |
| Restricted cash - debt service reserve fund Berry Hill bonds | 2,000,133 |
| Capital assets not being depreciated | 25,055,863 |
| Capital assets being depreciated, net | 25,883,079 |
| Construction in progress | 3,632,297 |
| <i>Total noncurrent assets</i> | 57,944,933 |
| Total assets | 60,301,700 |
| Liabilities | |
| <i>Current liabilities</i> | |
| Accrued interest | 69,244 |
| Bonds payable - current portion | 1,078,450 |
| <i>Total current liabilities</i> | 1,147,694 |
| <i>Noncurrent liabilities</i> | |
| Bonds payable - less current portion | 9,188,540 |
| <i>Total noncurrent liabilities</i> | 9,188,540 |
| Total liabilities | 10,336,234 |
| Net Position | |
| Invested in capital assets - net of related debt | 47,677,943 |
| Unrestricted | 2,287,523 |
| Total net position | \$ 49,965,466 |

¹ Please note this balance sheet does not include the Due to/Due from between the County and the City since it nets out and only changes at fiscal year-end.

² Please note this balance sheet does not include all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

*Please note these statements are for the period ended August 31, 2014 as of August 27, 2014, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*August 31, 2014**

| | Unaudited FY 2015 |
|--|------------------------------|
| Operating revenues | |
| Virginia Tobacco Commission Grants | - |
| Rental income | 14,823 |
| Total operating revenues | 14,823 |
| Operating expenses ⁴ | |
| Mega Park expenses ³ | 1,194 |
| Cane Creek Centre expenses ³ | 15,500 |
| Cyber Park expenses ³ | 6,673 |
| Professional fees | - |
| Insurance | 2,416 |
| Other operating expenses | 26 |
| Total operating expenses | 25,809 |
| Operating loss | (10,986) |
| Non-operating revenues (expenses) | |
| Interest income | 104 |
| Interest expense | (8,140) |
| Total non-operating expenses, net | (8,036) |
| Net loss before capital contributions | (19,022) |
| Capital contributions | |
| Contribution - City of Danville | 692,314 |
| Contribution - Pittsylvania County | 242,314 |
| Total capital contributions | 934,628 |
| Change in net position | 915,606 |
| Net position at July 1, | 49,049,860 |
| ⁵ Net position at August 31, | \$ 49,965,466 |

³ A portion or all of these expenses may be capitalized at fiscal year-end.

⁴ Please note that most non-cash items, such as depreciation and amortization, are not included here until year-end entries are made.

⁵ Please note this will change once all FY2014 entries are made and may also change depending on audit adjustments, if any, for FY2014 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*August 31, 2014**

| | Unaudited FY 2015 |
|--|------------------------------|
| Operating activities | |
| Receipts from grant reimbursement requests | \$ - |
| Receipts from leases | 9,273 |
| Payments to suppliers for goods and services | (404,263) |
| Net cash used by operating activities | (394,990) |
| Capital and related financing activities | |
| Capital contributions | 934,628 |
| Interest paid on bonds | (16,280) |
| Principal repayments on bonds | - |
| Net cash provided by capital and related financing activities | 918,348 |
| Investing activities | |
| Interest received | 104 |
| Net cash provided by investing activities | 104 |
| Net increase in cash and cash equivalents | 523,462 |
| Cash and cash equivalents - beginning of year (including restricted cash) | 5,206,999 |
| Cash and cash equivalents - through August 31, 2014 (including restricted cash) | \$ 5,730,461 |
| Reconciliation of operating loss before capital contributions to net cash used by operating activities: | |
| Operating loss | \$ (10,986) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | |
| Non-cash operating in-kind expenses | - |
| Changes in assets and liabilities: | |
| Change in prepaids | 2,624 |
| Change in due from other governments | - |
| Change in other receivables | 2,500 |
| Change in accounts payable | (383,278) |
| Change in unearned income | (5,850) |
| Net cash used by operating activities | \$ (394,990) |

| Components of cash and cash equivalents at August 31, 2014: | |
|--|---------------------|
| American National - Checking | \$ 1,214,964 |
| American National - General money market | 1,141,803 |
| Wells Fargo - \$7.3M Bonds CCC Debt service fund | 1,086,728 |
| Wells Fargo - \$7.3M Bonds CCC Project fund | 286,833 |
| US Bank - \$11.25M Bonds Berry Hill Debt service fund | - |
| US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund | 2,000,133 |
| | \$ 5,730,461 |