

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

June 8, 2015

12:00 P.M.

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

County of Pittsylvania Members

**Coy E. Harville, Vice Chairman
James H. Snead
Brenda H. Bowman, Alternate**

City of Danville Members

**Sherman M. Saunders, Chairman
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 Chairman/Vice Chairman 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 OF THE MAY 11, 2015 MEETING

5. NEW BUSINESS

- A. Report on letter dated May 7, 2015, from William T. Walker, U.S. Army Corps of Engineers, regarding permit application for the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia – Richard Drazenovich, P.E., Director of Public Works, City of Danville, and Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County.
- B. Report on next steps for grants in support of the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia – Telly D. Tucker, Director of Economic Development, City of Danville.
- C. Consideration of Resolution 2015-06-08-5C, approving the renewal of that certain Hunting Lease Agreement with Jay Vann Clodfelter and Brent 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 – Coy E. Harville, Vice Chairman of the Authority, and Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority.
- D. Financial Status Report as of May 31, 2015 – Michael L. Adkins, CPA, Authority Treasurer, and Patricia K. Conner, CPA, Assistant Finance Director, City of Danville.

6. CLOSED SESSION

[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. As permitted by Sections 2.2-3711(A)(5) and 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, (i) for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the Authority's Cane Creek Centre project located in

Danville-Pittsylvania Regional Industrial Facility Authority

Pittsylvania County, Virginia, and (ii) for discussion concerning the disposition of certain publicly held real property in that project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

- B. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- C. Motion to Certify Closed Meeting.

7. COMMUNICATIONS FROM:

Brenda H. Bowman
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.

Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	06/08/2015
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, May 11, 2015 meeting.

ATTACHMENTS

Meeting Minutes – 05/11/2015

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 11, 2015

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders and Alternate J. Lee Vogler. Fred O. Shanks, III was absent. Pittsylvania County Members present were James A. Snead and Alternate Brenda H. Bowman. Vice Chairman Coy E. Harville was absent.

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

Also present were Dewberry and Davis Project Manager Shawn Harden.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE APRIL 13, 2015 MEETING

Upon **Motion** by Mr. Snead and **second** by Ms. Bowman, Minutes of the April 13, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

6A. CONSIDERATION OF RESOLUTION NO. 2015-05-11-5A, APPROVING AMENDMENT NO. 9 TO CONTRACT DATED FEBRUARY 9, 2015

Shawn Harden explained this was a resurvey for the Phase I area; the surveys have about a 2½ year life span and that date is approaching. In order for the Authority to receive the permit, it will eventually have to have a resurvey to make sure there is nothing else out there. In response to Mr. Snead, Mr. Harden noted it was just on what has been submitted.

Mr. Vogler **moved** adoption of *Resolution No. 2015-05-11-5A, approving Amendment No. 9 to Contract dated February 9, 2009 - Engineering Services Related to The Mega Park Master Plan – Critical Habitat Surveys, with Dewberry Engineers Inc., a New York corporation, for a resurvey for threatened and endangered species as required for the revised U.S. Army Corps of Engineers/Virginia Department of Environmental Quality permit for the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, at a lump sum fee of \$12,500.*

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

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6B. CONSIDERATION OF RESOLUTION NO. 2015-05-11-5B, RATIFYING THE AUTHORITY'S REQUEST, DATED MAY 1, 2015 TO THE VIRGINIA TOBACCO COMMISSION

City of Danville Director of Economic Development Telly Tucker noted in December, staff sent a letter to the Commission requesting extensions on both Grant No. 2264 and 2491. Grant 2491 funds are specifically allocated for grading; staff is asking for an extension until the Authority can get the permit from the Army Corp. With Grant 2264, the City was to provide electrical service to the site. Part of those grant funds were to help with the engineering and the design of the actual system. Since that point, staff has had conversations with Appalachian Power about providing service. In the extension request, staff requested they be allowed to reallocate some of those funds so AEP can use those to acquire right of ways to do the engineering required. The other portion of that grant, staff is asking to use it for different work than was initially outlined in the original budget. There was the access road that staff has since decided not to do, so they have asked permission to use those funds for one of three things: either an interchange at 29 and 58 bypass, existing roadwork on the Berry Hill State Route 58B intersection or improvements in the existing Berry Hill corridor. The amounts do not change, the commitment from both the City and County do not change, staff is simply asking to use those funds differently than had been used before. Staff wanted to update the Board to give them information on how the funds would be used differently since the scope of the project has changed.

Ms. Bowman **moved** adoption of *Resolution 2015-05-11-5B ratifying the Authority's Request, dated May 1, 2015, to the Virginia Tobacco Indemnification and Community Revitalization Commission, to extend the grant period, to revise the grant project budget and to reallocate certain funding for Grant #2264.*

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

6C. CONSIDERATION OF RESOLUTION NO. 2015-05-11-5C APPROVING THE TRANSFER OF THAT CERTAIN ONE (1) ACRE TRACT OF LAND FRONTING ON TOM FORK ROAD BETWEEN LORILLARD AND IMPERIAL TOBACCO

Mr. Tommy Anderson, Director of Danville Operations of Lorillard Tobacco Company explained in July of 2014, Reynolds American, the parent company of RJ Reynolds Tobacco Company announced their intention to purchase Lorillard Tobacco Company headquartered in Greensboro, North Carolina. Subsequent to that purchase, Reynolds would then sell certain assets to Imperial Tobacco Group of Bristol, England. Those assets will include corporate facilities, manufacturing facilities and research and development facilities in Greensboro, North Carolina along with Lorillard's Danville facility, 130 acres on Kentuck Road. Lorillard had acquired this one acre tract on Tom Fork Road in 2007 as part of the agreement where Lorillard sold to RIFA 33.85 acres for rail access for Swedwood. The deed for that one acre tract on Tom Fork Road requires if Lorillard transfers it, they need written authorization from RIFA. Mr. Anderson noted he is asking for that authorization so that one acre tract can be transferred to Imperial Tobacco once the deal is consummated which is anticipated to be in the next several weeks.

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Mr. Snead questioned the location of the tract and Mr. Anderson explained it is on Tom Fork Road behind Seller Construction on 58. Lorillard acquired that one acre tract to make them a party to the protective covenants of Cane Creek Centre. Lorillard had a concern about future inhabitants of Cane Creek Centre and this was proposed to make them party to the covenants. Shawn Harden noted it is one acre of land at the intersection of Cane Creek, the actual creek, and Tom Fork Road on the left hand side in the park. There is a power transmission line and a sanitary sewer line that runs through it; it is in the flood plan of Cane Creek. Mr. Snead questioned if Imperial wants it for the same reason that Lorillard had it and Mr. Anderson stated he honestly couldn't say that Imperial wants it, but Lorillard will cease to exist. Once the deal is consummated, everything that is currently Lorillard Tobacco Company will become Imperial Tobacco Group Brands, ITG Brands, headquartered in Greensboro, North Carolina as a subsidiary of the Imperial Tobacco Group from England.

Mr. Guanzon noted all the covenants will remain, it is already in the deed and that is the requirement that runs with the land. The deed, where RIFA gave it to Lorillard said that if it is transferred, they have to get RIFA's consent; at that time it was still under the covenants and will still remain part of the covenants.

Mr. Snead **moved** adoption of *Resolution 2015-05-11-5C approving the transfer of that certain one (1) acre tract of land fronting on Tom Fork Road, located in Pittsylvania County, Virginia, commonly known as GPIN 2347-33-1347, from Lorillard Tobacco Company, a Delaware Corporation, to a subsidiary of Imperial Tobacco Group, PLC, a British multinational tobacco company, where such approval is required under that certain deed dated January 17, 2007, and recorded in the clerk's office of the Circuit Court of Pittsylvania County, Virginia, as Instrument No. 07-00558, at page 209.*

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

Mr. Saunders asked Mr. Anderson to convey to Lorillard management and others that Lorillard has helped many people in this region. It provided jobs for so many people, for so many years. Please convey our thanks. Mr. Anderson noted they appreciate those words and Lorillard has been a part of the Danville community since 1930, 85 years this year, and currently still has 44 employees. They anticipate business as usual going forward, just the name will change.

D. FINANCIAL STATUS REPORT AS OF APRIL 30, 2015

Authority Treasurer Michael Adkins noted the monthly financials are as of April 30, 2015 and the first funding sheet is for the \$7.3M in bonds for Cane Creek Centre. There was one expenditure for the month of April in the amount of \$365.00 paid to Dewberry for wetlands monitoring. General Expenditures were \$276.00 expended, \$243.00 for meals and \$33.00 for the monthly utility bill. Mega Park Funding Other Than Bonds, shows no expenditures for the month of April. The Berry Hill Mega Park Lot 4 Site Development, shows an increase in the budget column for \$325,000 which represents Amendment No. 8 with Dewberry. The only expenditure for the month of April was \$4,735.00 to Wetland Studies and Solutions. Rent, Interest and Other Income, shows RIFA received the normal rent for the month from

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the Institute for \$6,673.00 and from Securitas for \$300.00. RIFA also received \$5,000.00 from the Guilford Whitetail lease. The only expenditure was the monthly Hawkins' Property Management Fee paid to the Institute for \$6,673.00.

Ms. Bowman **moved** to accept the Financial Report as of April 30, 2015 as presented. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

E. DISCUSSION OF JOINT MEETING OF DANVILLE CITY COUNCIL, PITTSYLVANIA COUNTY BOARD OF SUPERVISORS AND THE AUTHORITY

Pittsylvania County Administrator Clarence Monday noted at the time this agenda was prepared, staff had been discussing the possibility of amending the next RIFA meeting scheduled for June in order to have a joint meeting with the Board of Supervisors and City Council. Mr. Monday noted he has since learned that date is not available for a meeting of both government bodies and that following this meeting, the Mayor and the Chairman of the Board will meet to try to come up with alternative dates. Mr. Saunders noted he thinks it is imperative that the two bodies continue to meet and discuss the region, what is good for the County and what is good for the City, especially the citizens. Ms. Bowman noted the State of the Region is August 11, 2015 so they are trying to have the joint meeting well before that date and meet as soon as possible. As the State of the Region will be held at the Institute, the County would like to host the joint meeting at the Ag Complex.

6. CLOSED SESSION

[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 12:32 p.m., Mr. Snead **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Sections 2.2-3711(A)(5) and 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, (i) for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, and (ii) for discussion concerning the disposition of certain publicly held real property in that project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

B. On **Motion** by Mr. Snead and **second** by Mr. Vogler and by unanimous vote at 1:21 p.m., the Authority returned to open meeting.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 11, 2015

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

The Motion was **seconded** by Ms. Bowman and carried by the following vote:

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

8. COMMUNICATIONS

Mr. Tucker noted during the last round of Mega Site grant application process, the Board approved a resolution allowing staff to apply for one of two projects. One was for approximately \$4M to relocate an existing electrical line on site; the other was Phase II of the water system improvement. Staff had stated they would update the Board based on the feedback they received from Commission staff. The Commission gave feedback that the water system improvements would be received more favorably; that is the project staff moved forward with.

Mr. Tucker noted staff just received last week a letter response from the Army Corp of Engineers. Staff is discussing this and will put this on the agenda for the next meeting, but wanted to provide a copy to the Board.

Mr. Guanzon introduced Andrew Stephenson, a rising third year student at William & Mary Law School who will be with Clement Wheatley for six weeks.

The Meeting adjourned at 1:25 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5-A
Meeting Date: 06/08/2015
Subject: Report on Letter from U.S. Army Corp of Engineers
Richard Drazenovich, P.E., Director of Public Works, City of
Danville, and
From: Gregory L. Sides, Assistant County Administrator for Planning
and Development, Pittsylvania County

SUMMARY

During the June 8, 2015 meeting, the Authority will receive a report from staff on the letter from the U.S. Army Corp of Engineers regarding the permit application for Berry Hill.

ATTACHMENT

U.S. Army Corp letter.



Reply to
Attention of

DEPARTMENT OF THE ARMY
US ARMY CORPS OF ENGINEERS
NORFOLK DISTRICT
FORT NORFOLK
803 FRONT STREET
NORFOLK VA 23510-1011

May 7, 2015

Western Virginia Regulatory Section
NAO-2010-00423 (Dan River)

Mr. Richard Drazenovich
Danville-Pittsylvania Regional Industrial Facility Authority
998 South Boston Road
Danville, Virginia 24541

Dear Mr. Drazenovich:

I am writing in reference to your application for a Department of the Army standard permit to develop approximately 443 acres of a 3,500 acre site known as the Berry Hill Industrial Park-Phase I in Pittsylvania County, Virginia.

The Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) proposes to place fill material into waters of the United States to construct an industrial pad site to attract one or more future industrial users. The proposed impacts to waters of the United States include the permanent loss of 6,491 linear feet of stream channel and 7.07 acres of wetlands and temporary impacts to 1,229 linear feet of stream channel for the development of pad sites, utilities, and a rail spur. The impacts are in the Trotter's Creek and McGuff Creek watersheds which drain to the Dan River, a major tributary to the Roanoke River. The Dan River and Roanoke River are interstate waters, and all these waters are tributaries to the Albemarle Sound. The RIFA proposes to fill and grade the site and to construct certain basic infrastructure, hoping to attract an industrial user.

The applicant's stated purpose of the Berry Hill Industrial Park is to "provide pre-developed infrastructure, transportation and pad site improvements of a size necessary to attract an industrial user capable of providing a transformational, substantial positive economic impact to the Danville/Pittsylvania County area." At present, it is unclear how RIFA defines "an industrial user capable of providing a transformational, substantial positive economic impact to the Danville/Pittsylvania County area." Please provide additional information (i.e. number of jobs created, dollar amount of capital investiture, etc.) better defining and supporting the necessary "transformational, substantial positive economic impact." A clear understanding of this benchmark is necessary to fully evaluate the range of users and site options that may be available to meet your project need.

The Jones Lang LaSalle (JLL) Market Analysis submitted as supporting documentation in your December 2014 revised Joint Permit Application identified manufacturers of wood and paper products, plastics and rubber, or fabricated metal products as potential tenants of the site. The JLL Market Analysis estimated, depending on the "user types" that construction of 300 net acres of manufacturing space would create 1,900 to 3,500 full-time jobs that would result in \$43 to \$100 million per year over the next 5 years in consumer expenditures. While this analysis did

explore the likelihood of attracting one of these users, specific information on the availability and likelihood of attracting potential smaller footprint users was lacking.

The RIFA attempted to justify the need for the development of 300-600 net acres to support 2.6-4.2 million square feet of industrial space over the next 5 years to meet their project purpose. The JLL Market Analysis identified 3 "target user types", analyzed the development requirements for those "target user types", analyzed the primary, secondary, and tertiary markets related to the Berry Hill site to determine the availability of sites that could accommodate the "target user types", and used an approximation of the absorption of existing building inventories and not pad sites to determine a 5 year absorption rate for Berry Hill Industrial Park. The RIFA prepared 3 land plans for the "target user types" identified in the JLL Market Analysis. The JLL Financial Analysis evaluated the 3 land plans as to their financial viability. However, the RIFA has been unable to demonstrate whether an industry with a smaller development footprint may meet the stated need by providing a transformational, substantial positive economic impact to the Danville/Pittsylvania County area. This is a fundamental problem for the Corps in evaluating this application.

The Clean Water Act Section 404(b)(1) Guidelines (Guidelines) (40 C.F.R. Part 230) provide the substantive environmental criteria against which this application must be considered. Fundamental to the Guidelines is the premise that no discharge of dredged or fill material may be permitted if a practicable alternative to the proposed discharge exists that would have a less adverse impact on the aquatic environment. The term "practicable" means available and capable of being done after taking into consideration cost, existing technology, and logistics in light of the overall project purpose. The range of alternatives to be considered should include not only geographical siting of the project (off-site analysis), but also functional alternatives such as design modifications that avoid or further minimize impacts (on-site analysis). The Guidelines further require that any proposed project be designed so as to minimize impacts to aquatic resources to the extent appropriate and practicable. Clear and specific site design requirements necessary to practicably meet the purpose is vital to this evaluation.

Off-Site alternatives analysis

Consideration of avoidance and minimization should include whether there are other available locations that would meet the project purpose with fewer impacts. Alternatives can include areas not presently owned by the applicant. The JLL Market Analysis identified 7 sites within the Berry Hill Primary Market Area. The Burlington-Hurt site in Pittsylvania County was the only site considered suitable for the Berry Hill "target user types". However, this site was discounted due to "potential unforeseen environmental remediation" required as part of a brownfield site cleanup. There are numerous federal and state incentive programs that could assist RIFA in further assessing and cleaning up a brownfield site. In light of those programs, please provide additional analysis regarding the Burlington-Hurt site and its ability to meet the RIFAs stated purpose and need. Additionally, please provide more detailed information regarding constraints for each of the 7 sites, including an estimate of the potential impact to waters of the US for each site.

On-Site alternatives analysis

Upon completion of the off-site alternative's analysis, you must fully evaluate potential methods to avoid and/or minimize impacts to waters of the US on the site to the extent appropriate and practicable. This step requires the applicant demonstrate that there is no lesser

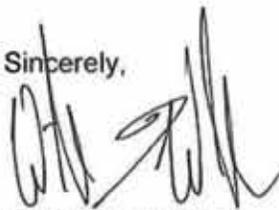
environmentally damaging, practicable site plan than the one proposed. For this project, meeting this requirement is complicated by the fact that there is no identified tenant. Without knowing the specific site design requirements necessary for a specific tenant and to minimally meet the project purpose, it is difficult to demonstrate that site plans involving less fill in waters of the US are not practicable.

The RIFAs purpose is to prepare a site for an industrial user. The applicant does not intend to construct buildings or any other facilities since the ultimate site tenant would have to be free to design the facility to its own specifications. As noted above, the JLL Market Analysis identified the general development needs of 3 "target user types". JLL indicated that "specific building sizes, design standards, and engineering plans will vary based on the individual need of specific users" and "the end state development results are dependent upon discussion with future users." The RIFA presented general site development plans based on the development requirements for wood and paper manufacturers, plastics and rubber manufacturers, and fabricated metal manufactures rather than demonstrating the minimum site development necessary to adequately accomplish the project purpose. In order to complete the necessary analysis, the RIFA must conclusively demonstrate that site plans involving less impact to aquatic resources either fail to meet the project purpose or are not practicable not only in the 443 acres proposed as Phase 1 but in the larger 3,500 acres currently owned by RIFA.

We understand the need to improve the economy of this particular region. However, the information supplied to date, does not conclusively demonstrate that the preferred alternative is the least environmentally damaging, practicable alternative to meet the project purpose or that further minimization of impacts is not practicable. Based on our analysis of the information supplied and as discussed above, it is not clear that the applicant can sufficiently complete the required Guidelines analysis without specific site requirements as determining criteria. We welcome any additional information you can supply that may address these concerns and are available to discuss any of this in more detail.

If you have any questions, please contact Jeanne Richardson at (434) 384-0182 or jeanne.c.richardson@usace.army.mil or you can contact me at (757) 201-7657 or william.t.walker@usace.army.mil.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. T. Walker', written over a white background.

William T. Walker
Chief, Regulatory Branch

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-B
Meeting Date:	06/08/2015
Subject:	Report on next step for grants for the Berry Hill project.
From:	Telly D. Tucker, Director of Economic Development City of Danville

SUMMARY

During the June 8, 2015 meeting, the Authority will receive a report from staff on the next steps for grants in support of the Authority's Berry Hill project.

ATTACHMENT

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-C
Meeting Date:	06/08/2015
Subject:	Consideration of Resolution 2015-06-08-5C
From:	Coy E. Harville, Vice Chairman of the Authority, and Michael C. Guanzon, Esq., Clement Wheatley

SUMMARY

Attached for the Board's Review and Approval is Resolution 2015-06-08-5C, approving the renewal of the Hunting Lease Agreement with Jay Vann Clodfelter and Brent Clodfelter in the Berry Hill Industrial Park.

ATTACHMENT

Resolution 2015-06-08-5C
Lease Agreement

A RESOLUTION APPROVING THE RENEWAL OF THAT CERTAIN HUNTING LEASE AGREEMENT WITH JAY VANN CLODFELTER AND BRENT 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.

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 as landlord, and Jay Vann Clodfelter and Brent Clodfelter (collectively, “**Tenants**”) as tenants, entered into that certain Hunting Lease Agreement dated June 11, 2012, which has been subsequently renewed and amended pursuant to those certain Lease Renewals dated July 6, 2013 and July 1, 2014 (collectively, the “**Hunting Lease**”), for that certain real property located in the Authority’s Berry Hill Industrial Park Project located in Pittsylvania County, Virginia, containing an aggregate of 561.13 acres, more or less (GPIN 1366-16-2959, containing approximately 371.13 acres, more or less, commonly known as the Hairston Farm, off State Road 863; and GPIN 1367-01-8739, commonly known as the Worsham Place, containing approximately 189.0 acres, more or less, off State Road 621); and

WHEREAS, the Board of Directors has determined that the Hunting Lease should be renewed for an additional one (1) year term ending on June 30, 2016, at the same rental amount of Two Thousand and 00/100 Dollars (\$2,000.00), subject to (i) an early termination right by the Authority, (ii) the right of the Authority upon twenty-four (24) hours’ notice to Tenants to enter upon and to show the Demised Premises (as defined in the Hunting Lease) to prospective business recruits, and (iii) Tenants’ agreement to keep in strictest confidence the identity of any such prospective business recruits until a public announcement is made by the Authority, if ever, or as otherwise required by law, as more particularly set forth in that certain 2015 Lease Renewal dated July 1, 2015 (the “**2015 Lease Renewal**”), a copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference; and

WHEREAS, the Board of Directors has determined that the 2015 Lease Renewal serves the purpose of the Authority to enhance the economic base of the City of Danville (the “**City**”) and Pittsylvania County (the “**County**”) by developing and owning the Berry Hill Industrial Park Project on a cooperative basis involving the City and the County, and that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to ratify, confirm, approve, and adopt in all respects the 2015 Lease Renewal.

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

Resolution No. 2015-06-08-5C

1. The Authority hereby ratifies, confirms, approves, and adopts in all respects the 2015 Lease Renewal and any and all actions previously taken by the Authority and by the members of its Board of Directors in connection therewith, including without limitation the execution of the 2015 Lease Renewal by the Chairman of the Authority.

2. All actions of the Chairman, the Vice Chairman and any other officers or agents of the Authority for and on behalf of the Authority prior to the date hereof in connection with the 2015 Lease Renewal are in all respects ratified, confirmed, approved and adopted. All other actions of officers of the Authority in conformity with the purposes and intent of this Resolution, regardless of whether such actions occurred before or occur after the enactment of this Resolution, are hereby ratified, approved and confirmed.

3. Without limiting the provisions of paragraph 2 of this Resolution, the Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to amend, modify and/or terminate the 2015 Lease Renewal on such terms and conditions as either of the Chairman and the Vice Chairman determines to be necessary and appropriate based on the Authority's plan of development of the Demised Premises (as defined in the Hunting Lease) and the other portions of its Berry Hill Industrial Park Project, consistent with this Resolution.

4. 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 June 8, 2015, 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 June 2015.

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

(SEAL)

Exhibit A

[2015 Lease Renewal with Jay Vann Clodfelter and Brent Clodfelter]

THIS 2015 LEASE RENEWAL is made as of the 1st day of July 2015, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("**Landlord**"), and **JAY VANN CLODFELTER** and **BRENT CLODFELTER** (individually and collectively referred to as "**Tenant**").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that Hunting Lease Agreement dated as of June 11, 2012, which has been subsequently renewed and amended pursuant to those certain Lease Renewals dated July 6, 2013, and July 1, 2014 (collectively, the "**Lease**"), for that certain real property located in Pittsylvania County, Virginia, containing an aggregate of 561.13 acres, more or less (GPIN 1366-16-2959, containing approximately 371.13 acres, more or less, commonly known as the Hairston Farm, off State Road 863; and GPIN 1367-01-8739, containing approximately 189.0 acres, more or less, commonly known as the Worsham Place, off State Road 621); and

WHEREAS, Landlord and Tenant desire to renew the Lease for an additional one (1) year term at the same rental amount of Two Thousand and 00/100 Dollars (\$2,000.00), subject to (i) an early termination right by Landlord, (ii) the right of Landlord upon 24 hours' notice to Tenant to enter upon and to show the Demised Premises (as defined in the Lease) to prospective business recruits, and (iii) Tenant's agreement to keep in strictest confidence the identity of any such prospective business recruits until a public announcement is made by Landlord, if ever, or as otherwise required by law.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in the Lease and herein, the parties agree as follows:

1. The "**Renewal Term**" shall be for a term of one (1) year beginning on July 1, 2015, and ending on June 30, 2016. The "**Term**" (as defined in the Lease) shall include the initial Term and any Renewal Term.

2. Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**") for the Renewal Term set forth herein the amount of Two Thousand and 00/100 Dollars (\$2,000.00), payable in advance. The "**Rent**" (as defined in the Lease) shall include the Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.

3. Prior to the end of the Renewal Term set forth herein, Landlord shall have the right to terminate the Lease upon giving at least sixty (60) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Additional Rent covering the period between the date of termination and June 30, 2016.

4. At any time during the Renewal Term set forth herein, Landlord shall have the right, upon twenty-four (24) hours' notice to Tenant (which can be by telephone or by e-mail), to enter upon and to show the Demised Premises (as defined in the Lease) to prospective business recruits (the "**Recruits**").

5. Tenant agrees to keep in strictest confidence the identity of any Recruits until a public announcement is made by Landlord, if ever, or as otherwise required by law.

6. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

WITNESS the following signatures to this **2015 LEASE RENEWAL** as of the date first set forth above.

LANDLORD:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a political subdivision of the Commonwealth of Virginia

By: _____
Sherman M. Saunders, Chairman

TENANT:

JAY VANN CLODFELTER

BRENT CLODFELTER

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:

Meeting Date: 6/8/2015

Subject: Financial Status Reports – May 31, 2015

From: Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through May 31, 2015 will be provided at the meeting. The financial status reports as of May 31, 2015 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of May 31, 2015 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

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

Danville-Pittsylvania Regional Industrial Facility Authority

\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 ⁷

As of May 31, 2015

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	22,479.12	49,401.88	
Land		-	2,792,945.57	-	
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		-	330,057.70	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,311,569.65	\$ 49,401.88	\$ 217,610.59

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 2015
As of May 31, 2015

	<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				
City Contribution - remaining FY2011 Allocation	55,000.00				
County Contribution - remaining FY2011 Allocation	55,000.00				
Contingency					
Miscellaneous contingency items		\$ 31,403.90	\$ 452.29	\$ -	\$ 30,951.61
Jones Lang LaSalle - Berry Hill Market Study Analysis		95,000.00	95,000.00	-	-
Jones Lang LaSalle - Berry Hill Economic Analysis		12,000.00	12,000.00	-	-
Dewberry Engineers, Inc. - Berry Hill		108,603.35	108,603.35	-	-
Total Contingency Budget		<u>247,007.25</u>	<u>216,055.64</u>	-	30,951.61
Legal		100,000.00	30,854.50	-	69,145.50
Accounting		19,600.00	19,100.00	500.00	-
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	1,893.38	-	2,106.62
Utilities		500.00	306.49	-	193.51
Insurance		3,000.00	-	-	3,000.00
Total	<u>\$ 374,807.25</u>	<u>\$ 374,807.25</u>	<u>\$ 268,760.01</u>	<u>\$ 500.00</u>	<u>\$ 105,547.24</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of May 31, 2015

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funding					
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		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	973,629.29	17,220.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 14,231,524.83	\$ 14,231,524.83	\$ 14,214,304.12	\$ 17,220.71	\$ (0.00)

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.

⁸ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of May 31, 2015

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
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				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,593,487.00	948,377.70	645,109.30	
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.		141,996.00	59,927.20	82,068.80	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	-	(12,000.00)	
Total	\$ 7,900,356.15	\$ 1,684,719.65	\$ 957,541.55	\$ 727,178.10	\$ 6,215,636.50

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

³ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of May 31, 2015

Source of Funds	Funding		Expenditures FY2015	Unexpended / Unencumbered
	Carryforward from FY2014	Current Month		
<u>Carryforward</u>	\$ 429,892.53			
<u>Current Lessees</u>				
Institute for Advanced Learning and Research (IALR) ¹				
Cyberpark				
Hawkins Research Bldg. at 230 Slayton Ave.			\$ 62,352.79	\$ 129,085.19
Institute for Advanced Learning and Research (IALR)				
Cyberpark			-	-
IALR Building at 150 Slayton Ave.				
Gilbert Building at 1260 South Boston Rd.		600.00	3,600.00	
Securitas				
Cyberpark			-	5,000.00
Klutz Farm off State Rd. 863/U.S. 311				
Berry Hill			-	5,000.00
Berry Hill			-	1,200.00
30 acre tract on Stateline Bridge Rd.				
Berry Hill		1,000.00	1,000.00	
Berry Hill				
4380 Berry Hill Road Pastureland			-	2,000.00
Berry Hill				
371.13 acres off State Road 863				
<u>Total Rent</u>			\$ 63,952.79	\$ 141,885.19
<u>Interest Received</u> ²		\$ 112.69	\$ 1,077.03	
<u>Yorktowne Repayment</u>		\$ -	\$ 14,425.20	
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee				\$ 66,732.40
Totals	\$ 429,892.53	\$ 64,065.48	\$ 157,387.42	\$ 66,732.40
				\$ 520,547.55

Restricted ¹ \$ 419,743.85
Unrestricted \$ 100,803.70

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}
May 31, 2015*

	Unaudited FY 2015
Assets	
<i>Current assets</i>	
Cash - checking	\$ 892,371
Cash - money market	1,142,707
Prepays	230
<i>Total current assets</i>	2,035,308
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	283,730
Restricted cash - debt service fund CCC bonds	1,020,113
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>	57,875,215
Total assets	59,910,523
Liabilities	
<i>Current liabilities</i>	
Unearned income	5,850
Bonds payable - current portion	1,128,450
<i>Total current liabilities</i>	1,134,300
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	8,058,540
<i>Total noncurrent liabilities</i>	8,058,540
Total liabilities	9,192,840
Net Position	
Net investment in capital assets	45,667,979
Restricted - debt reserves	3,020,246
Unrestricted	2,029,458
Total net position	\$ 50,717,683

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 May 31, 2015 as of May 27, 2015, 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
*May 31, 2015**

	Unaudited FY 2015
Operating revenues	
Virginia Tobacco Commission Grants	57,840
Reimbursement of incentive grants	14,425
Rental income	141,585
Total operating revenues	213,850
Operating expenses ⁴	
Mega Park expenses ³	532,201
Cane Creek Centre expenses ³	24,407
Cyber Park expenses ³	67,465
Professional fees	42,813
Insurance	2,416
Other operating expenses	2,239
Total operating expenses	671,541
Operating loss	(457,691)
Non-operating revenues (expenses)	
Interest income	1,162
Interest expense	(205,196)
Total non-operating expenses, net	(204,034)
Net loss before capital contributions	(661,725)
Capital contributions	
Contribution - City of Danville	1,164,774
Contribution - Pittsylvania County	1,164,774
Total capital contributions	2,329,548
Change in net position	1,667,823
Net position at July 1,	49,049,860
Net position at May 31,	\$ 50,717,683

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*May 31, 2015**

	Unaudited FY 2015
Operating activities	
Receipts from grant reimbursement requests	\$ 57,840
Receipts from reimbursement of incentive grants	14,425
Receipts from leases	135,210
Payments to suppliers for goods and services	(1,043,550)
Net cash used by operating activities	(836,075)
Capital and related financing activities	
Capital contributions	2,329,548
Interest paid on bonds	(282,580)
Principal repayments on bonds	(1,080,000)
Net cash provided by capital and related financing activities	966,968
Investing activities	
Interest received	1,162
Net cash provided by investing activities	1,162
Net increase in cash and cash equivalents	132,055
Cash and cash equivalents - beginning of year (including restricted cash)	5,206,999
Cash and cash equivalents - through May 31, 2015 (including restricted cash)	\$ 5,339,054
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating loss	\$ (457,691)
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	2,394
Change in due from other governments	-
Change in other receivables	2,500
Change in accounts payable	(383,278)
Change in unearned income	-
Net cash used by operating activities	\$ (836,075)

Components of cash and cash equivalents at May 31, 2015:	
American National - Checking	\$ 892,371
American National - General money market	1,142,707
Wells Fargo - \$7.3M Bonds CCC Debt service fund	1,020,113
Wells Fargo - \$7.3M Bonds CCC Project fund	283,730
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,133
	\$ 5,339,054